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# THE INDEPENDENT

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**Election 97** Forget the smears and hyperbole - these are the questions the parties need to answer

## We think you should be told

- Q What will happen to taxes under Blair or Major?**
- Q If things go badly, would the Tories take us out of Europe?**
- Q Will Blair back voting reform if he wins?**
- Q Would Labour take Britain into a single currency?**
- Q Will the parties spend more on schools - and who loses?**
- Q Would Ashdown keep Blair in power without PR?**
- Q Can Labour match the Tory pledge on NHS cash?**
- Q What do the parties mean by radical reform of welfare?**

With this week's frantic campaigning, the 1997 general election campaign has opened. It has begun with stunts, wild hyperbole, scare stories and too much attention on the "how" of politics - the spin-doctoring and advertising - rather than the essential "what", the policies. If the voters are not to be short-changed, all the parties have some straight answers to give before polling day.

Today, we list eight of the big questions we believe need answering if this election is to prove a proper test of the parties. These are fair questions which can be answered if the party leaders are prepared level with the rest of us. But without proper answers, voters will lack essential information and democracy will have stumbled.

**What will happen to taxes?**  
It is unreasonable to expect precise information about the detail of taxation year after year - since that depends partly on the economic cycle. But the parties need to be clear on their early proposals and principles. In 1979, over Value Added Tax, and in 1992, over taxation generally, the public was seriously misled. So in 1997 the Conservatives have a special duty to explain what they intend to do on direct taxes and VAT; how that will be funded; and to respond to the detailed questions about the state of the public finances they evaded last time.

The Liberal Democrats have made clear statements about the likely higher level of income tax they would impose to fund education. Labour, though, despite making anti-tax noises in general, have refused to discuss any proposed higher rate of income tax, or what would happen to tax thresholds. The party has pledged that it will fill out the



Acting the part: John Major calling in at Emmerdale's local while Tony Blair visits a skill centre in London Politics, page 4



Photographs: Ross Parry/PA

detail; it has an absolute duty to do so.

**Would the Tories take us out of Europe?**

"Don't be ridiculous," is John Major's likely response. But he has moved relentlessly in a Euro-sceptic direction since his early days in Number Ten, and his party is in Euro-sceptic hands. Many of his senior colleagues talk about "renegotiating" Britain's relationship with the rest of the EU. But if the other countries forge ahead towards a federal Europe, what does renegotiation then mean? In the end, if they didn't like it, would the Conserva-

tives lump it? Or would they withdraw? We deserve an answer to what, given the intensity of the argument inside the party, is no longer an academic question.

**Will Blair back voting reform?**

The Labour leader is committed to holding a referendum on whether Britain should change the voting system for the House of Commons. Potentially, that would be the biggest single act of internal political change since women won the vote; it might radically alter the party system. Yet though he is said to be "unpersuaded" about the need for a change to proportional representation, Blair

himself has been coy about his thinking. Voters have a right to look further into his mind before they take his hand and leap.

**Would Labour take Britain into the single currency?**

Another referendum question: Labour is divided, though not as publicly so as the Government. Its formal position is that if the economic conditions were appropriate, it would see no constitutional objection to introducing the Euro - but it wants "real" economic convergence. Gordon Brown recently committed Labour to a referendum before joining any first wave of

monetary union. But decision-time is looming. So is Labour keen to join that first wave or not? Here too, the time for bashfulness has passed.

**Will the parties spend more on schools?**

All of the party leaders have announced, with great solemnity, that improving the state of British education is their priority. But neither Labour nor the Tories have made any specific promises about paying for that improvement. So: if this matters particularly, will they shift taxpayers' money towards schools and colleges? And if they will, where will they take the money from?

**Would Paddy Ashdown keep Blair in power without PR?**

The Liberal Democrat leader has made it clear that he is close to Labour on a wide range of important issues, from Scottish devolution to reform of the House of Lords. But his strategy and his party depend upon him winning more out of the Labour leader on voting reform than he has so far (see above). So the hard question is this: would the Lib-Dems support Labour anyway?

**Can Labour match the Conservatives' pledge on NHS spending?**  
Labour is assumed by most voters to be a safer guardian of the NHS

than the Tories. But this is likely to mean higher spending; and Labour has not yet matched the Conservative promise (unfulfilled in the latest Red Book spending plans) to increase NHS spending year on year in real terms. Why not? And if they cannot, what outlook do they offer for state medicine?

**What do the parties really mean by radical reform of the welfare state?**

This is a policy area where economists and pundits expect a dramatic shift in policy in the next few years. Take pensions. Politicians like Labour's Frank Field and the Tories' Peter Lilley have canvassed the idea of turning to a new savings and insurance-based system. But what do their party leaders think?

Labour is critical of the Tories for breaking the old link between the state pension and earnings, but won't restore it. Again, many senior people in both parties are privately hostile to "middle-class benefits" like mortgage interest relief and universal child benefit. All the parties talk of radical solutions, but lapse into embarrassed silence on the details... because they will be painful for many people innocently voting for them later this year.

These are not all the big questions for the election; but they are, we think, the biggest unanswered ones. Readers may have others. The test is, are they great national issues, where the parties' positions are hidden or unclear? We will monitor our list, add to it if necessary, and do our best to get what answers (election stunts permitting) we can.

Andrew Marr

## Serbia's military top brass say they'll turn guns on Milosevic

Andrew Gumbel  
Belgrade

Officers and elite units in the Yugoslav army are prepared to launch a revolt against the government, including the use of firepower, if President Slobodan Milosevic tries to order a violent crackdown against the pro-democracy demonstrators who have thronged the streets of Serbia's cities for the past eight weeks.

Sources in the armed forces have told the Independent that roughly half of their permanent members, as well as the vast majority of conscripts, are sympathetic to the demonstrators and would do everything they could to avert bloodshed and political repression.

"If Milosevic orders a crackdown, I would be prepared to

shoot him," a major in charge of a tank brigade said. "If he tries to mobilise us, I would turn my tanks on the government."

Another major, a commander in the Yugoslav equivalent of the SAS, told the Independent that any attempt by Mr Milosevic to co-opt the armed forces would blow up in his face. "It will be like Bucharest," he said, referring to the short but bloody end to the Ceausescu regime in Romania in 1989.

"If he tries to use the army, the army will be used against him." Relations between Mr Milosevic and the armed forces have deteriorated rapidly since the war in Bosnia, and soldiers are now badly paid, badly equipped and poorly respected. Mr Milosevic has instead built up a fearsome special police

force that operates, in effect, like a private army. It is this police force that is most likely to be at the forefront of any crackdown.

But the major in the special air services said this action, too, would meet with strong army resistance. "We would mobilise ourselves against them. First, we would issue a warning and then, if necessary, we would take stronger measures."

Opposition leaders addressing their supporters in Belgrade read out a letter last week expressing the support of a number of army brigades and a commitment that they would never turn against the crowds. It is not clear whether the letter was genuine, but the sentiments undoubtedly reflected reality.

Mr Milosevic can probably count on the support of the top generals he has himself nominated, along with a hard core of junior officers, but nobody else - particularly not the elite units.

The special-services major said his brigade had sent a letter to the armed forces chief of staff, Momcilo Perisic, asking whether they might be ordered to move against the demonstrators and making clear that they would strongly oppose it.

Gen Perisic, the major said, had responded that the army's job was to protect the constitution and gave a specific commitment that they would not take part in repressive activities. With his letter, the general enclosed a copy of the report by the Organisation for Security and Co-operation in Europe (OSCE) on municipal elections

in November urging President Milosevic to acknowledge opposition victories in Serbia's main towns, including Belgrade.

Relations appear to be strained between President Milosevic and Gen Perisic, partly because of budget constraints on the army and partly because a number of key decisions have gone through the Defence Ministry and by-passed the army command.

Military experts do not believe, however, that Mr Milosevic would dare to replace him in the present climate. "It would be a sign that the loyalty of the whole army was disintegrating," said Dragan Veselinovic, leader of an opposition coalition in the northern province of Vojvodina and a political-science professor.

Fight to the death, page 10

## Max Clifford declares war on Tories

James Cusick  
and Fran Abrams

The public relations impresario Max Clifford yesterday promised to wage his own personal war on the Conservative government. They had "destroyed" the health service, he said, so he would deliver "two or three" new revelations of sleaze before the election.

Mr Clifford's latest client, Paul Stone, is behind the difficulties being faced by Harlow's Tory MP, Jerry Hayes.

own revelation. "The death and suffering they [the Government] have caused to so many ordinary people in this country is something I have watched with growing despair and anger over the last 16 years," he said.

Mr Clifford's 25-year-old daughter Louise has spent much of her life in hospital receiving treatment for rheumatoid arthritis. "This is a personal vendetta based on what the Tory government have done to the NHS," Mr Clifford said.

Labour however officially refused to applaud his new supporter. A party spokeswoman said: "We cannot condone any

of Mr Clifford's actions. Politics is about issues. He is a self-publicist, that is his business. We completely condemn what he does." Regardless, Labour will privately relish the prospect that Mr Clifford may continue to "expose" Tory MPs.

He told the Independent: "This is not about the treatment given to my daughter, but about how the NHS has changed. For years I watched what was happening in hospitals. Whether you were poor or a millionaire, you used to be entitled to the same care in Britain. Now the NHS is being destroyed and it is getting worse."

However, Mr Clifford

warned the Labour Party that "god-willing when they become the government, the same standards will apply to them."

Meanwhile on radio, Mr Hayes's former Commons researcher, Paul Stone, 24, said he had no regrets in publicly revealing the two men's alleged 16-month homosexual affair when he was 18. He said his decision to tell his story in the News of the World, reputedly for around £100,000, was to expose "hypocrisy" in Westminster.

Mr Hayes's constituency of officers are understood to be discussing his position, but the seat anyway will be highly vulnerable at the election.



Max Clifford: Personal war



John Whelan

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## news

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## RSPCA to act over Gucci horses

Jojo Moyes

The RSPCA is considering legal action after more than 100 emaciated and neglected Arabian horses were found on the estate of the late fashion guru Paolo Gucci.

In one of the worst cases RSPCA investigators said they had seen, one severely malnourished horse had to be put down immediately and another was not expected to live. A further 10 horses were taken to one of the charity's rescue centres for urgent veterinary treatment.

Officers are making regular trips to the Millfield Farm, near Ruislip, in West Sussex, to feed and care for the remaining 90 horses, many of which were valuable bloodstock, which were also found starving in stables.

An RSPCA spokeswoman said: "The horses were in an extremely bad state. It appeared that no-one had been looking after them and they had not been fed or watered for a long time."

She said many of the horses were extremely weak. "Some had to be carried out of the stables, which were covered in excrement. We are still investigating who is responsible for the animals but we are certainly considering prosecution."

RSPCA officers made their discovery on 2 January when they visited the farm for an inspection. The 23-acre farm is being run by former stable girl Penny Armstrong, who was Gucci's mistress until his death at 64 in 1995.

The farm also came under investigation in 1995, before Gucci's death, when his neighbours complained that some horses were so emaciated that their ribs were "stuck out like toast racks" and that some animals had running sores and diseases.

Earlier, American government officials seized 10 starving horses from a stable outside New York belonging to Gucci. The spokeswoman said: "We had concerns about the welfare of animals on the farm in 1995, but there was no prosecution and conditions were improved. We continued to monitor the situation, but yet again, sadly, it seems conditions have seriously deteriorated."

Miss Armstrong, 27, who was not available for comment yesterday, has two children by the late millionaire designer. She and his former wife, Jenny, are fighting a legal battle over the contents of the estate and £2.5m mansion adjoining the farm.



Flames of anger: Police move in on the car used in yesterday's IRA rocket attack on Belfast High Court

Photograph: Kelvin Boyes

## IRA rocket attack outside courts as tensions grow

David McKittrick, Ireland Correspondent

A police officer narrowly escaped with his life when the IRA launched a rocket attack on a security post at Belfast's main courts complex yesterday.

The device, from a bazooka-like shoulder-held launcher, was fired by a terrorist from the back of a car which drew up alongside the post. The RUC officer threw himself to the ground when he saw the weapon.

He was saved from serious injury by his prompt action and

by the reinforced glass fitted to the small post. He was able to walk away after the attack, but was taken to hospital suffering from minor injuries, shock and damage to his eardrums.

A woman who was leaving the court at the time collapsed during the attack and was later treated for shock.

The incident was the latest in a series of IRA attacks in Belfast and elsewhere in recent weeks. The fact that most of them have been abortive has led to speculation that the IRA was engaged in a "phony war" intended to threaten rather than

actually inflict casualties. However, this is firmly denied by both republican and security force sources.

The courts complex, which includes the Northern Ireland High Court and legal administration offices, is heavily fortified and well-guarded as a result of dozens of attacks on it in the course of the troubles. In yesterday's incident, the target was clearly not the courts themselves but police personnel on duty outside them.

The complex is on the edge of the city centre, but is also close to the republican Markets

area of the city, where the IRA has a significant presence. The hijacked car used in the attack was found abandoned there after the attack. It had been set on fire to destroy any forensic evidence left in the vehicle.

An IRA claim of responsibility also included warnings that bombs had been left at a number of Belfast hotels, but these turned out to be hoaxes.

Sinn Féin president Gerry Adams said he regretted the incident, as he regretted loyalist murder attacks on republicans and what he termed "RUC attacks on nationalist homes".

This was a reference to a recent increase in security force searches of homes. Mr Adams said: "The genie is out of the bottle," adding that the task for politicians was to put it back into the bottle.

Ulster Unionist leader David Trimble said the type of attack showed the increasing desperation of the IRA in the face of security force success in thwarting their plans. He said: "It shows the absence of any coherent political or military strategy within the republican movement. It is bankrupt."

Jack O'Sullivan, page 15

## Trimble's hands tied by divisions

David McKittrick

Serious divisions among Ulster Unionist MPs have called into question the party's ability to act as a unified block in future dealings with John Major and Tony Blair on the government's survival.

It emerged yesterday that the party leader, David Trimble, and his deputy, John Taylor, found themselves isolated in a key meeting before last month's crucial fisheries vote in the Commons. The other seven of the party's nine MPs rejected

Mr Trimble's advice to vote against the Government, and instead abstained.

The significance of this for both the Government and Labour is that in Mr Trimble's manoeuvrings with the Tories and Labour in the months running up to the next election, a serious question-mark hangs over his ability to deliver the votes of his colleagues.

Ulster Unionist party sources yesterday confirmed an *Irish Times* report of Mr Trimble's 7-2 defeat at the parliamentary party meeting, which took place

less than an hour before the fisheries vote, in which the Government had a majority of 11.

They also confirmed the description of the meeting as acrimonious. One MP said yesterday: "I never remember an incident like this before."

At the moment the majority of the nine MPs appear to be against any idea of bringing down the Conservatives. They point out that concessions have already been extracted from the Government on issues which include the toughening of the terms for Sinn Féin's entry into

talks, the beef crisis and fishing quotas.

The feeling is that further useful concessions may also be wrung from the Government in the coming months. An MP added that helping to bring down the Government so close to the end of its natural life would in any event be "a meaningless gimmick."

A number of sources say that Mr Trimble has never succeeded in winning the confidence of his parliamentary colleagues since his election as leader over a year ago.

## significant shorts

## New CJD may have claimed 15th victim

A 15th person is suspected of dying from new variant Creutzfeldt-Jakob disease, the illness which has been linked with beef from cattle suffering from "mad-cow" disease.

The Department of Health yesterday said there was a "probable" new case, in addition to 14 known victims, two of whom are still alive.

However, a spokesman refused to confirm that the new case was that of 19-year-old Victoria Lowther from Carlisle, Cumbria, whose death in November last year was widely reported to have been caused by new variant CJD. This form of the disease can only be confirmed absolutely after a post-mortem, although there are characteristics which distinguish it from the classic form of the degenerative brain disease which tends to occur in people over 60.

Scientists announced the discovery of new variant CJD in March last year. Their advice to the Government, that the most likely cause was bovine spongiform encephalopathy (BSE), triggered the beef crisis.

Liz Hunt

## Talks continue in Dublin warden siege

Negotiations were continuing last night with six prisoners who have held four warders hostage in Dublin's Mountjoy jail since Saturday evening.

One of the warders has been tied to the door to prevent gardai storming the unit. The prisoners, armed with blood-filled syringes, table legs and metal tubing, include three drug addicts. Food, and the heroin substitute phsyphene, have been provided.

Five of the prisoners are protesting against conditions in the segregation unit for the jail's most dangerous inmates. A sixth, on remand, is protesting his innocence of charges relating to possession of drugs and the murder of journalist Veronica Guerin.

## Priest jailed

A priest was yesterday jailed for a year after admitting plundering more than £80,000 from Church funds while working as youth officer in the diocese of Peterborough.

The Rev Martyn Davis, 37, of Fareham, Hampshire, admitted seven charges of theft and asked for 300 charges of theft, deception and false accounting to be taken into account at Northampton Crown Court.

## Traditionalists stand firm

Changes to proposals on what pupils should learn about morality, to include more emphasis on marriage, failed to satisfy traditionalists at a meeting yesterday.

Five out of 150 members of the values-in-education forum set up by government curriculum advisers opposed proposals which were altered under pressure from Gillian Shephard, the Secretary of State for Education.

The original plans did not mention marriage explicitly. The revised version said that society should "support... marriage as the traditional form of the family" while recognising that "the love and commitment required for a secure and happy childhood can be found in families of other kinds". Yesterday's meeting dropped the phrase "as the traditional form of the family". Judith Judd

## Scots success in drink-driving

The Scottish festive drink-driving campaign was yesterday hailed a success with the number of motorists who tested positive falling below 1 per cent for the first time. Police also said that 112 motorists were caught when more than 1,700 people called a freephone number to "shop" drink-drivers.

## Mrs Phyllis Bowman

Our leader article ("Don't judge her - and don't bound her", 7 August 1996) suggested that Mrs Phyllis Bowman's (National Director of the Society of Unborn Children) motivation in forwarding an offer of financial assistance to Professor Phillip Bennett and in invoking legal proceedings to ensure that the offer was made known to the mother of the twins, was to gain publicity. We accept that, in these events, Mrs Bowman's concern was that the mother of the twins was entitled to be informed that financial assistance was available should she decide not to have an abortion. We do not make this point.

## Prisoners in for good read

Prisons and remand centres throughout Britain have been sent a book listing more than 375 attempted crimes that failed miserably. Publishers of *The Forensic Times Book of Inept Crime* said that prison librarians had reported that publications that included felonies were always popular with inmates.

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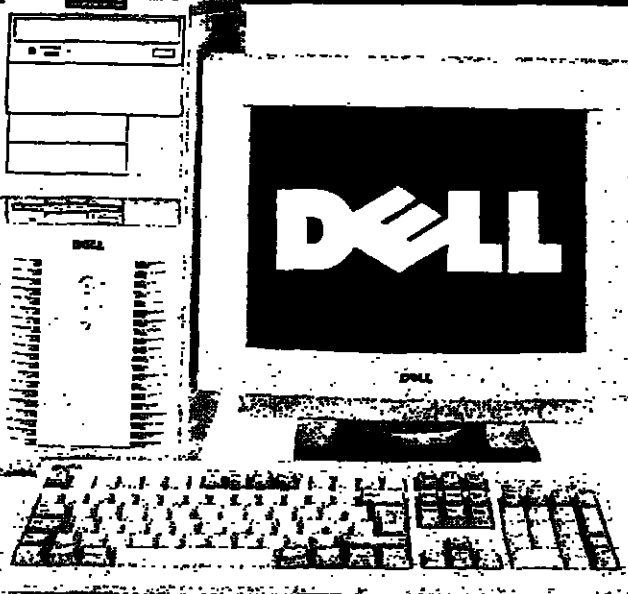
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# Prayer and foodies win top literary awards

Boyd Tonkin  
Literary Editor

A new life of Thomas Cranmer, one of the architects of the Church of England and creator of the Book of Common Prayer, is the surprise winner among this year's Whitbread literary awards, announced today.

From marriage "till death us do part" to burial as "ashes to ashes, dust to dust", Cranmer's language has punctuated English-speaking life for more than 400 years.

The 600-page life of Cranmer, by Diarmaid MacCulloch, a Tudor historian who lectures in the theology faculty at Oxford University, beat studies of George Eliot by Rosemary Ashton, of Samuel Beckett by James Knowlson and of Queen Caroline by Flora Fraser (Lady Antonia's daughter) to win the £2,000 prize for biography.

John Lanchester's flamboyant foodie thriller, *The Debt to Pleasure*, won the award for a first

to be hatched, matched and despatched according to his formulations. Dr David Starkey, who teaches Tudor history at the London School of Economics and is writing a biography of Henry VIII, describes Cranmer's work as "the great quarry of English commonplaces". Cranmer, who championed Henry VIII's break with Rome as Archbishop of Canterbury from 1533, issued two versions of the Book of Common Prayer during the reign of Edward VI, in 1549 and 1552. He also drew up the Thirty-Nine Articles of the Anglican faith, to which clergy must still subscribe. Persecuted as a Protestant under the Catholic restoration of Mary Tudor, Cranmer first abandoned his views and then renounced his recantation. When he was burnt at the stake for heresy in 1556, he put his hand into flames, saying, "This was the hand that wrote it [the recantation], therefore it shall first suffer punishment".

Dr MacCulloch stresses that "without Cranmer, England's Reformation would not have been a Protestant Reformation because Henry VIII was so confused about what he believed". He also points out the huge gap between Cranmer's conception of the Church and the modern institution: "Cranmer believed that Henry had been personally chosen by God to lead His church. I don't think that archbishops today would take that view."

However, Dr Starkey maintains that "Cranmer is essential to what is happening in the Church of England now. The whole debate concerns what is meant by a national church, and how that relates to a universal church." He claims that "the church that Cranmer created looks as if it might topple into the arms of Rome", welcomed back by some future, more ecumenical Pope as a national branch "within some sort of loosely run Roman church".

Starkey argues that "the age of Henry VIII gave us a powerful sense of national identity" which the promise (or threat) of European integration has forced the country to reassess. That makes MacCulloch's scholarly but gripping biography, originally seen as an outside candidate, a timely choice for a major award. Cranmer stands at the heart and root of Englishness, a source of both its most enduring institutions and of its familiar speech. With both changing fast, we need to know much more about the intellectual godfather who oversaw their birth.

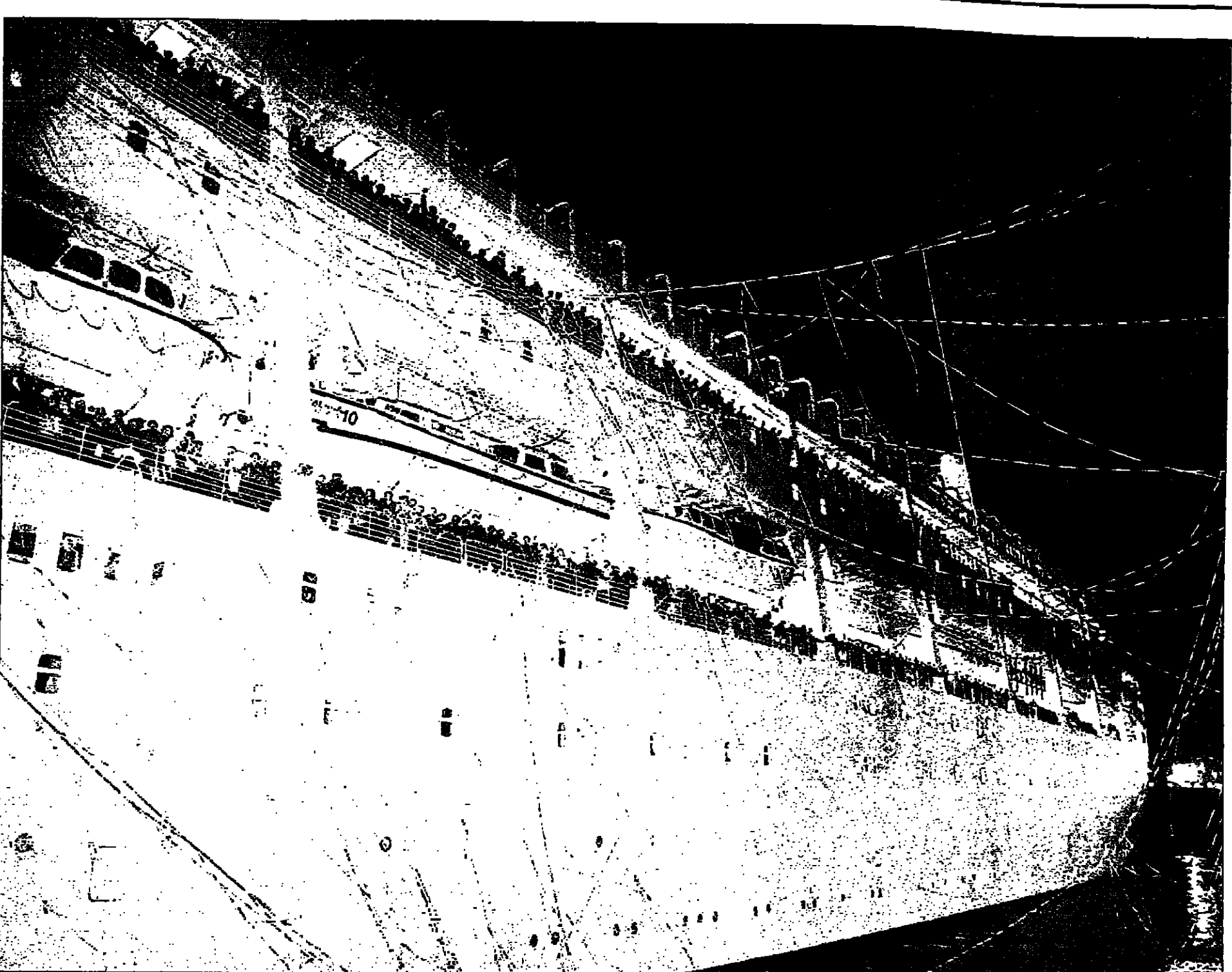
"Thomas Cranmer: a life", by Diarmaid MacCulloch, Yale University Press (£25)



Thomas Cranmer: Huge impact on religious life

novel, while Beryl Bainbridge's Booker-short-listed Titanic tragedy-comedy *Every Man for Himself* gained the general prize for fiction. Seamus Heaney's collection *The Spirit Level* won the poetry award. The category winners now go forward to be judged for the overall Whitbread Book of the Year Award, worth an additional £21,000, on 21 January.

Talking to *The Independent* yesterday, Dr MacCulloch emphasised that Cranmer's Book of Common Prayer "is not just a religious document but a cultural artefact. Cranmer is one of the select band of writers - Shakespeare, and William Tyndale are the other two - who have changed the way we speak". From "peace in our time" and "lift up your hearts" to "in sickness and in health", language from Cranmer's prayer books and homilies saturate everyday English speech. Millions of people who otherwise never enter a church expect



Bon voyage: Streamers fill the air as the cruise ship Canberra sets sail from Southampton last night at the start of her final world cruise

Photograph: Peter Macdiarmid

## Grand exit for the Great White Whale

Louise Jury

With a complement of 1,600 passengers, 870 crew and more than 25,000 bottles of champagne and wine, the great cruise ship *Canberra* embarked from Southampton last night on her 22nd and final world voyage.

The cruise marks the end of a chequered but glorious career as one of Britain's best-loved liners. In the early Sixties, she took thousands of emigrants to a new life "down under"; in the Eighties, she risked her very survival during the Falklands war; and in the Nineties carried hundreds of veterans to the Normandy beaches for the 50th anniversary of D-Day. She heads into retirement in September, and demand for places on the final voyage was so great that tickets sold out within three days.

Streamers flickered in the breeze and the band played "Sailing" as *Canberra* - dubbed the Great White Whale during her time in the Falklands - drew slowly out of harbour at 6pm last night.

"I think it's very emotional for everybody really. It's the end of an era," said a spokesman for the ship's owners P&O. "She's a much-loved ship by the people who work on her as well as those who sail on her."

Captain Rory Smith, 52, who first sailed on *Canberra* 24 years ago and has been at the helm

since 1993, was "very proud" to be steering her through the final 92-day world tour. "There will obviously be a certain amount of nostalgia and I think it will become pronounced as we progress through the voyage looking at ports we know this ship will never look at again," he said.

"Things like leaving the majestic port of Hong Kong with the lights blazing at Chinese New Year and I'm sure it will be the same in Sydney. But the really nostalgic moment will come when she arrives back and sails up Southampton water."

Maria Mann, the deputy cruise director in charge of entertainments, was close to tears at the thought. "I know every single little creak she makes. She rides the rough weather better than any other ship I've known. I even know my way round the boiler room and most of the galley," she said.

"The *Canberra*'s like a good wine. She's improved with age and developed a heart of her own and our passengers love her. There will be a lot of boxes of tissues at the end."

When *Canberra* was built for £17m by Harland & Wolff at the end of the Fifties she was the largest post-war British passenger ship. She was ready for launch in 1961 to serve Australia as a liner. By the early 1970s she had switched roles to become a cruise ship, and in 1982 was

requisitioned to carry troops and act as a hospital ship in the Falklands. She spent 94 days with the task force.

The current trip will take in many ports with which she has had a long association, including Singapore, Hong Kong, Darwin, Brisbane and San Francisco. During the three-month cruise, passengers will consume an estimated 24,400 bottles of champagne and wine,

more than 92 tons of meat, 327,900 fresh eggs and 5,654 gallons of ice-cream.

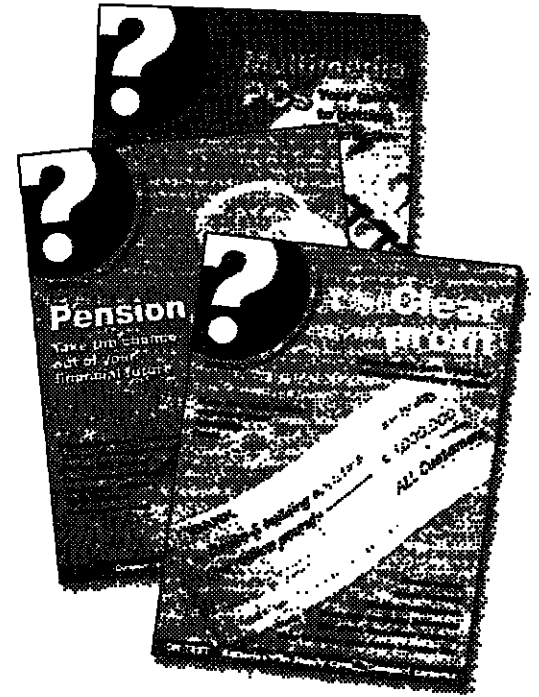
Like everything on board *Canberra*, the statistics are impressive. The 818ft ship, weighs 44,807 tons and has 780 cabins. There are three pools, five orchestras in addition to a bar-room pianist, and facilities running through the alphabet from the Alice Springs Bar to the Writing Room. Around 400

of the passengers are taking the complete global navigation at a cost between £5,595 and £33,995, and a total of 3,400 will join her for sections en route.

Una and Keith Laing, both in their late sixties, flew from Tasmania on Sunday to do the whole trip, fulfilling a dream they first entertained 20 years ago. "It was now or never," said Mrs Laing. "It was something we've always wanted to do."

Mary Brown and Bill Sanderson, a brother and sister from Hayscott, near Newcastle, have travelled the globe on *Canberra* three times before and would not have missed the final tour for anything. "That's why we booked," said Mrs Brown, 66. They regard the crew as personal friends. Mrs Brown first met Eric, the night steward, in 1963 when he was just 21 years old. He, too, is retiring this year.

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## Hopes for round-the-world yachtsman slip away

Stephen Goodwin  
and Stuart Alexander

Hopes for the survival of British round-the-world yachtsman Tony Bullimore were dwindling last night after his 60ft *Exide Challenger* was spotted in the icy waters of the Southern Ocean. An Australian search and rescue plane made repeated low passes over the hull but saw no sign of the 57-year old yachtsman.

Sixty miles away, the aircrew managed to drop a life raft to Thierry Dubois, a Frenchman, another casualty of the Vendee Globe single-handed challenge and mountainous waves.

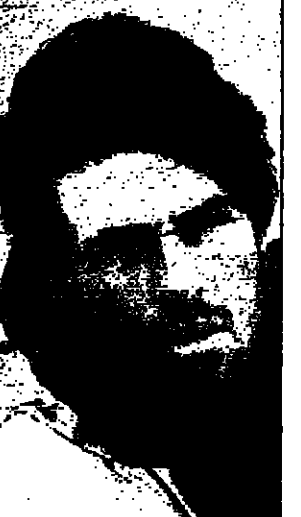
Dubois, 29, was found clinging to the hull of his upturned yacht *Amnesty International* 1,400 miles south-west of Perth. The first raft he climbed aboard capsized but at 10.00 GMT he successfully scrambled aboard a second.

Bullimore's chances do not look good. His yacht was upside down and without its keel, according to one report; another said it was listing. No sighting of him had been achieved, even though many passes were made as low as 200ft.

A nightclub operator and managing director of a Birmingham-based import-export



In peril: Tony Bullimore (left)



and Thierry Dubois



do is sit on top of the hull. I would get back inside ... I am sure Tony would be doing the same."

The area where Mr Bullimore's yacht was sighted was described by veteran circumnavigator Sir Robin Knox-Johnston as a "vicious place" feared by every seaman. "I have been in it a number of times. When it really builds up you can get waves up to 120ft."

"In the Atlantic a 35-footer is a big one, 50ft is really bad - so you are talking about massively larger forces."

Race organisers in Paris struggled to catch up with their second drama in 10 days. Late on Boxing Day, another British competitor, Peta Goss, fought through 150 miles of wild seas to pick up another French competitor, Raphael Dinelli, from his sinking yacht.

"All I can do is sit by the phone and wait."

Fellow ocean racers and an Australian rescue spokesman said just because Bullimore had not been sighted did not mean they should fear the worst. "Anybody wanting to survive is going to stay inside the hull," said Mark Gatehouse, a Plymouth dock owner who has competed against Bullimore in trans-Atlantic races.

"They know they are in for a long wait. The last thing I would

## politics

# Tories claim dirty tricks over story on MP

Colin Brown  
Chief Political Correspondent

Senior Conservative Party figures yesterday claimed they were the victims of "dirty tricks" after the launch of their campaign for the general election was marred by the disclosure that a Tory MP was engaged in talks with Liberal Democrat and Labour leaders about their plans for constitutional reform.

As Mr Major began his campaign breakfast with business-

men in Leeds, the BBC disclosed that Hugh Dykes had agreed to submit his own plans for reform to the Lib-Lab commission, which Mr Major had described as "profoundly dangerous" only 24 hours earlier. It was the second blow in two days to Tory attempts to seize the initiative for its campaign after the allegations in a Sunday newspaper about Jerry Hayes, Tory MP for Harlow, and a gay lover, which he denies.

The party chairman, Brian

Mawhinney, was barely able to conceal his anger about the BBC report after he unveiled the new Tory campaign poster warning that a Labour government would end "in tears".

Senior Tory sources said Labour had colluded with the BBC in the timing of the report. Mr Dykes, a maverick backbencher, had been engaged in talks with Labour spokesman Jack Straw about the party's plans for constitutional reform for six months, *The Independent*

learned. Labour saw Mr Dykes's involvement as a coup. "It dealt quite a considerable blow to the Tory launch. This is trench warfare," said a senior Labour source.

Mr Dykes exchanged letters with Mr Straw last week, offering to attend a joint Labour-Liberal Democrat hearing. He made it clear he wanted to concentrate on the voting systems, including those for the European Parliament; the inclusion of the European Con-

vention of Human Rights into UK law; and the reform of the House of Lords.

Mr Dykes, who was unrepentant, also dismissed suggestions that he might be preparing to defect to Labour or the Liberal Democrats. "Why should I? Because I am a member of the Tory tribe. I know all the war dances and I use the Tory grease paint," he said on BBC radio.

Labour sources confirmed he had expressed no intentions

to defect. "He is not a potential Alan Howarth [the former Tory MP who joined Labour]. He is plugged into the Tory party and he is a close friend of Kenneth Clarke."

That is unlikely to assuage the Conservative Central Office team who saw their plans blown badly off course by his intervention. Mr Major is determined not to be deflected from his criticism of the Lib-Lab constitutional plans, to be discussed at a joint meeting tomorrow.

At a breakfast meeting with businessmen, Mr Major repeated his warnings about constitutional reform, claiming that "it will end in tears".

He told a business breakfast in Yorkshire: "The concept of tearing up our constitution by the roots - which is the essence of what the Labour Party and the Liberals are talking about - is thoroughly damaging and a huge distraction when we should be building on the economic opportunities that lie ahead."

John Prescott, Labour's Deputy Leader, was quick to point out that the close cooperation between the two sides did not mean they were heading for a coalition in which Paddy Ashdown, the Liberal Democrat leader, would have a seat in a Blair Cabinet.

The deputy leader said the co-operation was about Parliamentary tactics for delivering proposals on which they were agreed. It was not an attempt to create a joint election platform.

## Leaders out on stump for longest ever election trail

Colin Brown  
and Fran Abrams

John Major and Tony Blair were out on the election trail yesterday, marking the beginning of the longest general election campaign the voters of Britain have ever had to endure.

Pressing the flesh and touring the studios of a television soap opera, the Prime Minister signalled his intention to lead a presidential-style campaign.

Although he has yet to name the date, ministers were confident the Government would survive until a planned election on 1 May, leaving the public with another 115 campaigning days to go before polling day.

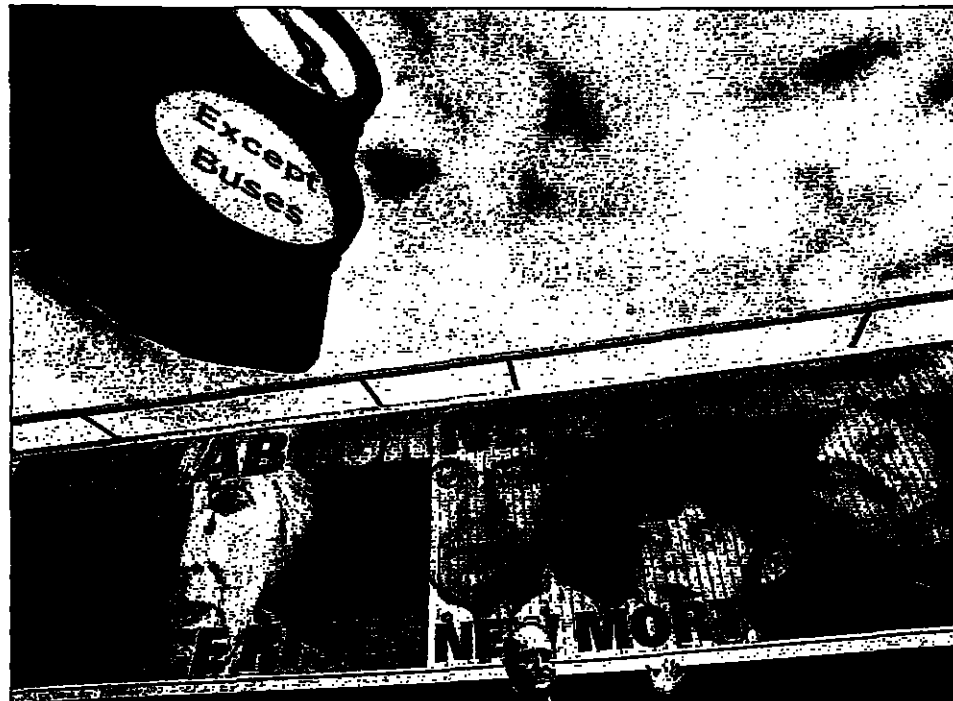
Mr Major was in Leeds, meeting businessmen and some of the stars of *Emmerdale*, while Mr Blair was in London visiting a training centre.

The Tory party chairman, Brian Mawhinney, opened the Tory campaign with a poster depicting a typical British family, played by actors, shedding a single red tear and the slogan "New Labour, New Failure".

Today Mr Major will be intensifying the impression that the election is already under way by holding the first of a series of White House-style press conferences. Mr Blair is planning to hold his own press conference tomorrow.

The Prime Minister will be flying out to India for a week-long trip tomorrow but that is likely to offer little respite in the "phoney war" before Mr Major names the date for the general election.

Touring the sets at *Emmerdale*, Mr Major



Picture this: Dr Mawhinney unveils the new campaign

Photograph: John Voss

confessed he did not have much time for viewing because of his tight schedule. But he added: "The rest of my family are great fans of soap operas."

He spent nearly an hour looking at the sets used in the series and chatted to the actor Peter Amery, who plays Chris Tate, son of Frank, the owner of Home Farm, and Jane Cameron, who plays the nanny Sophie.

She said: "He was very interested in what we were doing but said *Emmerdale* is on too early in the evening for him to watch."

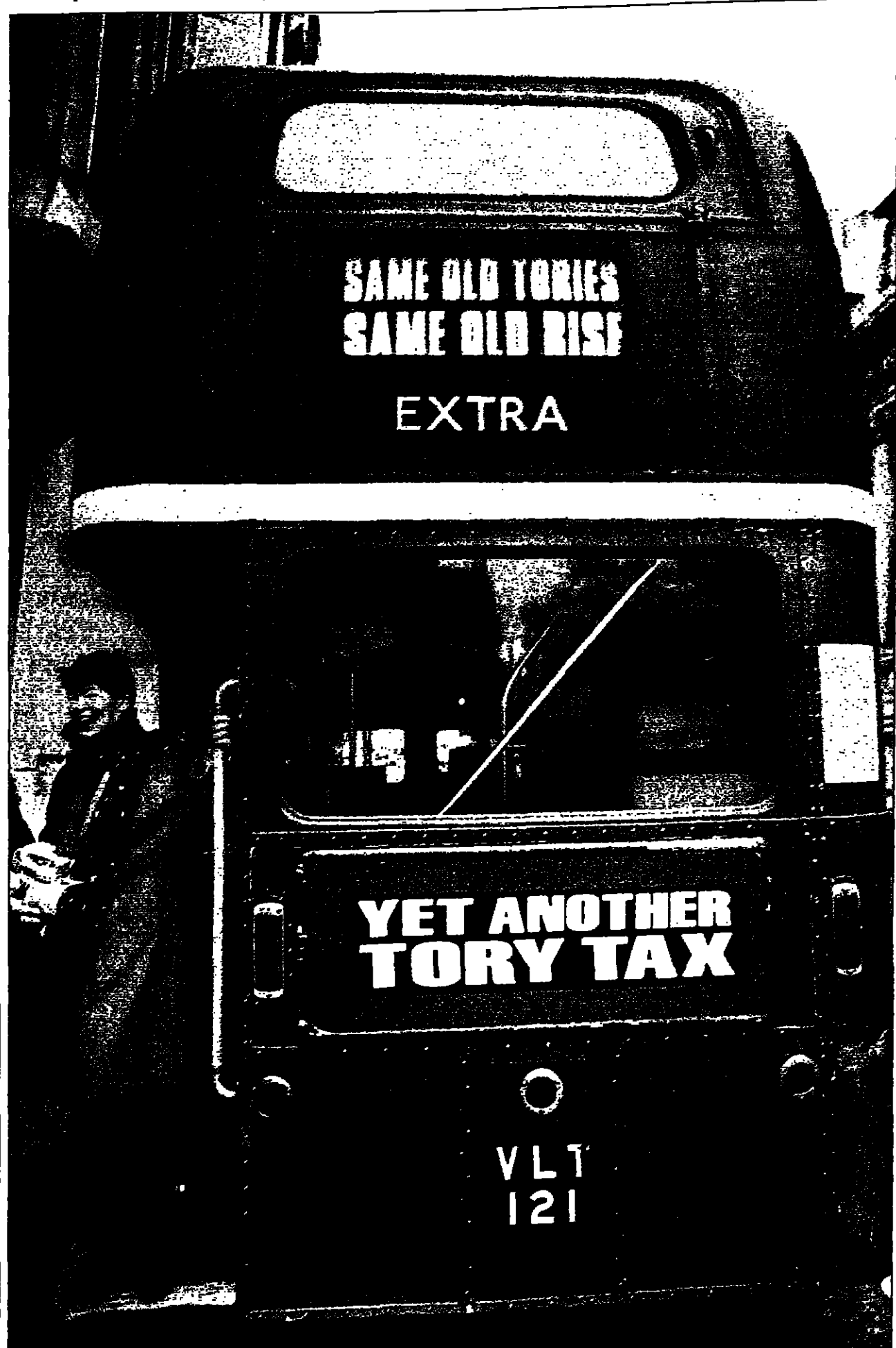
Launching the poster campaign, Dr Mawhinney also published a 28-page dossier claiming that a Labour government would spell disaster for Britain. Every Labour administration in the past had taken the country to the verge of bankruptcy, it said.

Alistair Darling, shadow Treasury minister, said the campaign and dossier showed the Tories were "deeply frustrated that our prudent and honest account of our programme in governments means they must invent targets to attack because the real things do not exist".

Labour started its own run-up to the general election yesterday with a visit by Tony Blair to a training centre in west London.

Mr Blair chatted to 16-18 year-olds who had left school without qualifications.

It was "sad" that the Conservatives felt the need to spend so much money on making up untruths about the Labour Party, he said. "This country wants to have some chance of hope and opportunity in the future, not just see the parties scrapping with each other in negative advertising."



On the buses: Transport spokeswoman Glenda Jackson drives Labour's message home Photograph: Andrew Burman

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## Why Max is the man to dish the dirt

James Cusick

On his own admission he left school at 15 with "an honour's degree in street-raking". Since then, Max Clifford, or as Tory MP David Mellor calls him "the sleazeball of all sleazeballs", has gone on to become the undisputed regent of revelations.

Back in the headlines after a kiss-and-tell story on the Tory MP Jerry Hayes, 53-year-old Mr Clifford is a latter day privateer who deals not in pirate gold, but in reputations, celebrity shenanigans, image-making and destruction. Hype seems too small a word for the business of Max Clifford Associates.

Raised in Wimbledon, southwest London, he worked his way up from a local newspaper to the EMI press office, before leaving to start his own business. Although his company does conventional PR work for such firms as Laing Homes, and the car company Seat, Mr Clifford has come to fame by a different route. Over recent years he has become the Mr Fixit of sleaze, the man who channels rivers of salacious revelations in the direction of lucrative contacts with Britain's tabloid press.

As one of his competitors put it: "If Adam came back to dish the dirt on Eve, he could do worse than hire Max."

The revelations by Bien-

venida Buck - centring on the love letters from General Sir Peter Harding and their discussions on troop movements in Bosnia and Northern Ireland - were masterminded by Mr Clifford, who admitted "I don't give monkey's about his sex life, but I do care about the chief of defence discussing troop movements with a former Spanish prostitute."

Another client, Antonia de Sancha, a former lover of David Mellor, revealed all and led to the MP resigning as a minister. The sucking and tales of love-making in a Chelsea football strip ensured a place in the PR Hall of Fame. Shortly afterwards, he embarrassed another government figure, Alan Clark, by publicising the story of three former lovers - Valerie Harkess and her two daughters.

Although Mr Clifford is wealthy he avoids the lifestyle of the rich and famous. All his fees for radio and television appearances go direct to the Royal Marsden Hospital's Child Cancer Unit and Arthritis Care. The Marsden has benefited by £20,000 in recent years. He says little about these activities, and says his job has been all about exposing double-standards and hypocrisy. But as one Labour MP put it yesterday: "If Clifford is the nation's moral crusader, good. Every Clifford picture tells a Tory."

## Thatcher fails to alter Clarke's view on Europe

Colin Brown

Baroness Thatcher tried to persuade Kenneth Clarke over a private dinner to change course on the European single currency.

The Chancellor refused to budge, holding out through to the sweet course to his belief that Britain should preserve its option on joining a single European currency.

It is understood that Lady Thatcher tried to convince Mr Clarke that a shift of policy, ruling out Britain's entry into the first wave of a single currency, would help the Tories win the general election.

Allies of Mr Clarke said he privately believes it unlikely that Britain would be in the first wave of a single currency, but he refused to rule it out on the ground that a concession now would invite the Euro-sceptics to press for more.

"I would have liked to be a fly on the wall," said one source. "They had dinner just before Christmas. Ken's basic point is that the French may be fudging it, but if you give way now, there is no point where you can draw the line."

The Chancellor has never been afraid to speak his mind with Lady Thatcher. When she was forced to resign by the Cabinet, Mr Clarke was one of the first to tell her she should go. Lady Thatcher's interven-

tion came within days of the Chancellor's tense meeting with the Cabinet at which a number on the left of the party, including Stephen Dorrell, joined Euro-sceptics led by Michael Howard in challenging the Chancellor's paper on single currency convergence criteria.

Mr Clarke was forced into a partial retreat, and will return to the Cabinet with a new paper in the coming weeks. The Chancellor, however, secured the Cabinet's reaffirmation for the policy, preserving Britain's opt out on a single currency.

Last night friends of Mr Clarke remained adamant that there would be no change of policy, and dismissed reports that he was being forced into a corner by Mr Dorrell, and William Waldegrave, the intellectual leader of the left in the Cabinet, who has privately come down against a single currency.

Mr Waldegrave, the Treasury Chief Secretary, is said by some insiders to be highly influential in the shift towards the Euro-sceptics in the Cabinet. The next meeting of the Cabinet will be on 16 January.

Mr Clarke's paper will say that a judgement on whether other member states are fulfilling the Maastricht convergence criteria cannot be judged until the end of this year, making it impossible to justify a change of policy before the election.

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A tale of two theatres: Scarborough's famous theatre is saved but London's historic opera venue seems destined to go dark

# Ayckbourn wins battle of luvvies versus lavvies

Esther Leach

A theatre opened by the playwright Sir Alan Ayckbourn has been rescued from financial ruin.

The Stephen Joseph Theatre in Scarborough is to get an extra £50,000 a year for five years from the town council. However, it will not be a contest between "luvvies and lavvies", said council leader Mavis Don as she appealed to members to support the theatre.

Ms Don said the extra money for the theatre would come from the tourism budget and would not jeopardise other services or be used at the expense

of other leisure, sports and arts organisations that could do with this money.

Sir Alan opened his new theatre in April last year. The premises are much admired in theatrical circles. The complex has two theatres, a cinema, an education centre for children, bars and restaurants. Productions have been critically well received, attendances have doubled.

But it has operating costs of £800,000 and is expected to slip £200,000 into the red by March 1998. This is in spite of grants of £622,700 from the district and county councils and Yorkshire & Humberside Arts.

Scarborough council is paying £141,000 towards the theatre, the same as it was when it was based at a converted grammar school at Westwood. Now, in the revamped Odeon Cinema, it is twice the size and twice as expensive to run.

The council was not expected to begin paying its full share of £191,000 towards the theatre's bills until 1999, when National Lottery cash runs out.

Chairman of the Theatre Trust, Charles MacCarthy, said he was delighted at the decision and the support the councillors have given to them.

He said: "They have taken a responsible attitude towards the future of the theatre which is now far more secure."

The issue had triggered a heated debate in Scarborough. Sir Alan has attacked the "boozy culture of the fishing and seaside resort".

He said: "If you happen to be teetotal in this town, then God help you - because there is little else to do apart from get drunk and buy shoes. They are preparing this town for a living hell. I like to shop and drink as much as the next man, but when you sober up in your new shoes, you feel there must be more to life."

Residents attacked the theatre in local newspapers, describing it as an expensive

white elephant. Sir Alan retaliated by saying that many people only came to Scarborough because of the theatre and there was an onus on the council to invest in its star attraction. He tempered the criticisms of the area, however, adding: "I'd love to say the problem is only with a few people in Scarborough. But all this reflects general British attitudes to art, which is almost a dirty word."

A year ago, he was hailed as a saviour for transforming his adopted home town's derelict Odeon cinema into a gleaming new theatre. It now stages world premieres of his plays before they go to the West End.



Star attraction: Sir Alan Ayckbourn at the Stephen Joseph Theatre in Scarborough, which he opened in April last year

Photograph: Guzelian



Jane Kenyon: Theatre must stand on its own feet

of the town's 22 public lavatories. Earlier, it had been reported that 22 public lavatories would have to close if funding for the £5m theatre went ahead.

"I'm not a luvvy, but I do think we should be able to offer people the joy and experience of live theatre," said councillor Jane Kenyon.

Opponents of the extra funding had feared that the theatre would see the public purse as a bottomless pit. Ms Kenyon said the time had come to say no.

"It's time this theatre learned to stand on its own feet. There

## ENO says high costs forcing theatre move

Marianne Macdonald  
Arts Correspondent

English National Opera was accused of "an outrageous breach of faith" yesterday after announcing it wants to leave the Coliseum, its much-loved Covent Garden home, for a new theatre outside central London.

Its decision follows a £1.38m feasibility study which claimed that while the cost of refurbishing its present theatre would be cheaper than building a new one, the Coliseum would remain so deficient technically as to make staying unjustifiable.

The cost of redeveloping the Coliseum and expanding to an adjacent site would be £100m, but no site was easily available.

**Sewers overflow every time there is heavy rain and there are no rehearsal rooms or storage space**

In a statement issued last night, David Mellor, the former Heritage Secretary, said: "It is an outrageous breach of faith for the ENO to abandon the Coliseum only five years after going down on bended knee to the Government to be asked to be given the freehold."

"That was done on the understanding that they would find the money for the refurbishment themselves. There has never been any sign that they were able to do so, so it is pie in the sky to think they could raise £28m, or anything like it for a new theatre."

Mr Mellor added: "The Coliseum is a terrific theatre, wonderfully placed in the heart of London, with great acoustics and splendid sight lines. There are far better uses of lottery money than this."

His views will strike a chord with opera-goers, likely to be unenthused at the nine potential new sites, which range from

King's Cross, Vauxhall, Jubilee Gardens, Coin Street in the South Bank, Islington, Paddington, St Pancras, Southwark and Bankside.

ENO estimates it will cost between £80m and £120m to build a theatre on one of them - discussions are continuing with the owners - and say it would cost £75m to refurbish the Coliseum, including the hefty cost of relocating while the work is done.

Dennis Marks, general director of the company, emphasised nothing would happen until 2001, by which time it is hoped that the Royal Opera House will have finished its own £213m redevelopment.

Mr Marks defended himself against the charge that, only five years ago, the ENO had been desperate to buy the then £12.5m freehold of the Coliseum. Now it was saying it was impossible to stay there.

"In 1992, when the freehold of the Coliseum was acquired by the ENO, it was five years away from being homeless and the then owners, Stoll Moss, had every intention of charging us a [far higher] commercial rental. In 1992 there was no lottery... there were no options."

The company, which has been selling capacity houses, said the difficulties of operating at the Coliseum were such that even a £50m-plus refurbishment could not overcome them.

Sets had to be struck twice daily, while sewers overflowed every time there was heavy rain. There was no storage for sets or rooms for rehearsal.

But the board recognises that moving, with the help of 75 per cent lottery funding from the Arts Council, if it agrees, will be unpalatable. John Baker, the chairman, admitted when the study began in 1995 he had been opposed to moving from the Coliseum, but the study's logic had been "completely compelling".

He said: "The board had its prejudices about staying, but not if by staying the company goes into a lingering death financially and gradually collapses in technical competitiveness against the rest of the world."

Comment, page 15

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## news

# TV puts republican Britain to the test

Millions of viewers to join poll on future of monarchy in the biggest event of its kind

Michael Streeter

Up to two million viewers are expected to take part in a television telephone poll on the Royal Family tonight in the biggest test yet of public opinion on the future of the monarchy. The live debate on Carlton TV, grandly entitled "Monarchy: The Nation Decides", is the most ambitious event of its kind on British television.

If it is deemed a hit with viewers, Carlton executives are planning more debates, on topics such as Britain's role within the European Union.

Although outwardly relaxed about the programme, royal officials will be watching to see how far the streak of republicanism in society has reached in light of recent scandals. A MORI poll done in conjunction with the programme found 48



Palace coup?: Photomontage of republican sympathisers Brian Basham (left), Emma Thompson, Paul Flynn, Anthony Holden and Claire Rayner

Jonathan Anstee

per cent of people believed the monarchy would not survive beyond 2050, and 35 per cent said they did not want it. Only 3 per cent said the monarchy had

any personal meaning for them. A spokeswoman for Buckingham Palace said that, like any poll, the results of the debate would be "noted" but would not

comment further. "This type of programme appears more than periodically."

The debate will feature a range of representatives from

the republican camp, including Stephen Haseler, chairman of the pressure group Republic, the agony aunt Claire Rayner, the Labour MP Paul Flynn and

the former *Sunday Times* editor Andrew Neil. Professor Haseler, from London Guildhall University, said the number of people pro-republican or

anti-monarchist, while not a majority, had reached "serious" figures.

Others participating tonight at the National Exhibition Centre, Birmingham, include Terry Waite, the journalist John Pilger, the writer Andrew Morton, the MP Bernie Grant, PR guru Max Clifford, actresses Barbara Windsor and Samantha James and the nightclub owner Peter Stringfellow, who will tell viewers that abolishing the monarchy would be bad for business, by attracting fewer American tourists to London.

In another clip, Mr Neil attacks the "bizarre" notion that Britain should arrange its constitutional matters according to the dictates of tourism, pointing out that republican Paris still attracts a few visitors.

The gossip columnist and royal-watcher Nigel Dempster will tell the audience - which Carlton hopes will attract eight or 10 million - that the future of the monarchy rests entirely on the shoulders of a 15-year-old boy, Prince William. If he does not measure up, the institution is doomed, he will say.

Lord Archer will deliver what is described as a rant against republicans, including the light-hearted suggestion that they should be beheaded.

Apart from the television audience, 3,000 members of the public, based in from 20 cities and selected as representative, will be present in the NEC. After a break for the *News At Ten*, the show will resume with the results of the phone-in. Executives say the network can take up to 14,000 calls simultane-

ously, and up to 60,000 a minute. The question asked will be simply: "Do you want a monarchy?", with "yes" and "no" numbers to call.

One of the producers, Doug Carnegie, said they knew of the dangers of rigging the result but hoped the volume of calls would swamp any such attempts. He denied suggestions that they were trivialising the issue and said the programme was intended as a serious contribution to an important subject.

Prof Haseler welcomed the debate as "very healthy".

He said: "This is a debate about the country, the establishment and the political system, not just the monarchy. Such a programme would have been unthinkable even two or three years ago."

Growing doubts over the future of the Royal Family had been sparked by scandals involving the Princess of Wales and the Duchess of York, but now ran deeper.

"They [the scandals] were more a key that unlocked the debate; then people have begun to think more deeply about the role of a monarchy in the 21st century." He cited a growing number of younger people with republican sympathies such as the actress Emma Thompson and singer Billy Bragg.

Prof Haseler is also a member of the Common Sense Club, an informal dining organisation which discusses republican ideas. Other members include the public-relations consultant Brian Basham and the royal biographer Anthony Holden.

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## Muslim schools win backing

Lucy Ward  
Education Correspondent

Plans for Britain's first publicly funded Muslim school moved a step nearer reality yesterday after two private schools won official backing for their bid to join the state sector.

Islamia primary school, in Brent, north London, and Al-Furqan primary, in Birmingham, are today due to enter applications to the Education Secretary, Gillian Shephard, to win grant-maintained status. A bid will also be entered for GM status for Islamia's sister school, an all-girls' secondary.

It comes after the quango which funds GM schools recommended both primary school bids, giving them a higher chance of securing approval.

As the three schools applied for GM status, a private Muslim girls' secondary school in Bradford announced plans to launch a second attempt to join the state sector as a voluntary aided school. If successful, Feversham College, which had a similar application turned down two years ago, would become a state school, receiving funding through the local education authority on the

same basis as many Church of England and Roman Catholic schools.

The developments mark a new burst of progress after several years of set-backs for the institutions jostling to become the first state-funded Islamic school. All are over-subscribed and are surviving on a combination of fees, charged where parents have the cash to pay, and donations from mosques and community groups.

Islamia primary and its sister school sought a legal review after their joint application for voluntary-aided status was refused in 1993. A second application was also rejected, prompting the schools to seek access to the state sector as grant-maintained institutions independent of the local authority. Al-Furqan primary, founded as a study group with four pupils in 1989, became a fully-fledged primary three years later. To gain public funding, Muslim schools have to commit themselves to following the National Curriculum, from which independent schools are exempt. They must demonstrate that they meet required standards of teaching and of financial management.

### DAILY POEM

#### Rock Music

By Les Murray

Sex is a Nazi. The students all knew this at your school. To it, everyone's subhuman for parts of their lives. Some are all their lives. You'll be one of those if these things worry you.

The beautiful Nazis, why are they so cruel? Why, to castrate the aberrant, the original, the wounded who might change our species and make obsolete the true race. Which is those who never leave school.

For the truth, we are silent. For the flattering dream, in massed furling reassurance, we spasm and scream, but what is a Nazi but sex pitched for crowds?

It's the Calvin SS: you are what you've got and you'll wrinkle and fawn and work after you're shot though tears pour in secret from the hot indoor clouds.

The Australian poet Les Murray, born on a New South Wales farm in 1938, has been a full-time writer since 1971. This poem comes from his latest collection, shortlisted for this year's TS Eliot Prize: *Subhuman Redneck Poems* (Carcanet).



Ground control: Richard Branson, left, discussing final flight details with engineers in Marrakesh yesterday Photograph: David Rose

## High hopes as Branson waits for the balloon to go up

Charles Arthur  
Marrakesh

Richard Branson squinted into the Moroccan sunshine yesterday morning and pondered whether he would leave behind a crew member - who is also one of his best friends - in his second attempt to circumnavigate the world by balloon. It didn't take long.

"We can't delay the take-off, because it's possible there will only be the one launch slot this year," he said, looking at the military air base where the balloon and three-man capsule were having their final tests yesterday. "Rory [McCarthy] is not very well, but otherwise everything couldn't be looking better."

Mr McCarthy, 36, a businessman and amateur daredevil, was hoping to fly with Mr Branson, along with the professional balloonist Per Lindstrand, 47. But he has a bronchial infection which had not cleared up yesterday and was seeking medical advice on whether to go on the flight - which, if it succeeds, will break the last great aviation record. At the air base, he posed happily for photographers, but a final decision was not due until late evening.

"If Rory can't come now, maybe he could next time round," said Mr Branson. "He is determined to come. If he feels he's up to it, he will. But there's a risk to him because we'll be so high, and the air so de-pressurised, that it could damage his lungs."

Meanwhile, the countdown began last night on the desolate base, just outside Marrakesh, in southern Morocco, towards a take-off in the hours just after dawn today. Ground staff were poised to make the first of a series of irrevocable moves towards lift-off, by beginning the inflation of the two-tonne canopy of the balloon with £100,000 worth of helium. That will take 12 hours, and once inflation has begun it cannot be stopped.

There is only enough helium for one attempt. Getting enough for another inflation would take at least a week. But a spokesman for Virgin, one of the principal sponsors, emphasised that the launch could be aborted at five minutes' notice if the weather conditions were unsuitable, although Mr Branson's readiness to leave behind his team-mate indicates the determination he has to complete the trip this time.

There are two reasons for that determination: first, two rival ballooning teams - one in the US and another in Switzerland - are preparing for an assault on the record. Secondly, the weather conditions are ideal, with a continuous jetstream - air travelling from west to east at about 30,000ft at speeds of up to 200 mph - girdling the globe around the Tropic of Cancer.

Almost exactly a year ago, Mr Branson waited here nearly a fortnight for the right conditions. But bad weather and an unseasonal wind pattern, with a discontinuous jetstream, made a launch unfeasible.

The journey will take at least 18 days, crossing India and Japan at a height of 30,000ft - as high as commercial airliners - and aiming to finish in Britain. The crew will live in a capsule with just 100 sq ft of space, heated and powered by propane tanks attached to the outside, which will also heat a balloon inside the helium canopy to control their height.

Despite seeming a little less boisterous about the project than a year ago, he said: "I really enjoy the fact that the day has finally come. We're going to have a great adventure."

Leading article, page 13

## Fury over order not to search jail chiefs

Ian Burrell

Prison chiefs were accused of "hypocrisy and double-standards" yesterday when it emerged that they had ordered staff not to search them when they entered prison gates.

The order appears to directly contradict claims by the prison service that everybody is searched when going into a prison - "even the Home Secretary".

The claim was made last month after complaints by probation officers that they were being harassed with intrusive physical searches when visiting jails to interview clients.

The *Independent* has discovered, however, that prison gate staff have been told not to search any senior officials from prison service headquarters or even require them to pass through security X-ray equipment.

A memo sent to the gate staff at HMP Birmingham, by Tom Watson, the jail's head of security, states: "The governing governor has instructed that senior prison service personnel (eg, director-general, directors, members of the prisons board, area managers etc) will NOT be required to pass through the X-ray portal when entering or leaving the prison."

The memo was sent out on 27 November, only weeks before Richard Tilt, director-general of the prison service, claimed that no-one was allowed to be an exception to the rules on security.

Staff at the jail said last night that prison officers had been reprimanded last November after they insisted on searching Dai Curtis, a prisons area manager, and taking possession of his mobile telephone while he was in the jail.

They said that Ann Widdecombe, the prisons minister, had been allowed to drive into the jail in October without a search.

Last night, Bev Lord, vice-chairman of the Prison Officers' Association (POA), said: "This

memo shows the astonishing double-standards of those running the prison service.

"By making themselves exceptions to the rule, they are placing staff in an impossible position and putting security at risk."

She said staff at other jails were put under similar pressure to give special treatment to prison management.

An officer at Birmingham prison, said: "The staff here feel let down. Everybody should be searched and there should be no exceptions at all."

Harry Fletcher, deputy general secretary of the National Association of Probation Officers, said: "This confirms that the searching is discriminatory. The whole management hierarchy have made themselves exempt. It is highly hypocritical."

Later this week, NAPO's lawyers will decide whether probation officers can sue the prison service for assault in relation to some of the most intrusive searches.

More than 70 probation staff have complained about the "rub-down" searches by staff, which have included examinations of ears, mouths, hair, inside legs, shoes, bras and waistbands.

The *Independent* has also learned that no prison official is to be disciplined over the early release fiasco last autumn when 541 prisoners were allowed out of jail early after a blunder in calculating their sentences.

A letter by Mr Tilt, to David Evans, general secretary of the POA, states: "I have interviewed eight members of staff in connection with the issue ... the purpose of these interviews was to explore the lessons which could be learned for the future from these events."

Mr Tilt said that he had written to each of the eight, "drawing to their attention any shortcomings in their performance". He said that he would not be taking further action.

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## international

Supreme Court grapples with debate that could rival abortion in intensity as elderly population grows

## US puts issue of euthanasia to the test

Rupert Cornwell  
Washington

The US Supreme Court this week directly grapples for the first time with a social issue that may soon rival abortion here in divisiveness and intensity of passion: the right of a doctor to help terminally ill patients end their own lives.

Two appeals are the focus of oral arguments before the nine high court justices tomorrow. They have been brought by the states of Washington and New York, seeking to overturn rulings by local federal courts that their respective bans on doctor-assisted suicide violated protections of individual freedom laid down by the 14th Amendment of the US Constitution.

But the debate reaches far further, on to the most delicate terrain of medicine, law and ethics, in an age when the number of elderly people is growing as inexorably as the cost of sophisticated new treatments to prolong their lives. The court will rule some time this summer. Few such judgments have been as hard to predict in advance, and few as keenly awaited.

The US does not compare with the Netherlands, where doctor-assisted suicide is tolerated, or Australia's Northern

Territory where euthanasia was legalised by a 1995 law. But over the last quarter century, it has been edging in that direction.

In 1976, after a legal struggle which transfixed the country, the parents of Karen Ann Quinlan were allowed to disconnect their comatose daughter's life support system. Fifteen years later the court endorsed a person's right to refuse medical treatment, a step which contributed to today's widespread practice of "living wills" in which an individual stipulates that if he is incapacitated by terminal illness, his life should not be artificially prolonged by high-tech (and often ruinously expensive) procedures.

But, as the two states now in the front line insist, refusing treatment is one thing, the deliberate administering of lethal drugs or gases quite another. Indeed, 49 of the 50 states have laws specifically banning doctor-assisted suicide.

That however has not deterred the retired physician Jack Kevorkian, who during the 1990s has helped some 50 mostly terminally ill patients take their lives. Dr Kevorkian, "Dr Death" to his foes but to at least as many a pioneering hero, has stood trial three times for illegally assisting in suicide

but juries on each occasion refused to convict him.

On the other hand, a "friend of the court" letter, urging the nine justices to uphold the ban, was the last public act of Cardinal Joseph Bernardin, Archbishop of Chicago, before his death last November. The establishment of a new "right to die" will endanger society and send a false signal that a less than "perfect" life is not worth living, wrote the universally respected leader of American Catholics.

That remains the position of the religious community. This stand is moreover buttressed by a separate argument extending far beyond the Church, that a doctor's duty is to preserve life, not to conspire in ending it.

Once granted that right, it is contended, it is a short and slippery slope to unscrupulous doctors actually encouraging people to die - and hence to a *de facto* process of triage, the killing off of patients considered too expensive or inconvenient to treat.

Hence the debate which now rages, dividing even spokesmen for hospices, whose very business is the comfort and dignity of the dying. The wish to hasten death can be a "rational and competent choice", says a "friend of the court" brief from the Coalition of Hospice Professionals. Not so, says the National Hospice Association, life is not "all but ended" because of a terminal illness. "The state has an interest in preserving life," even in those cases.

Such differences, almost certainly, will be mirrored within the court. The avowedly conservative Justices Clarence Thomas and Antonin Scalia can be expected to side with Washington and New York states. All probably will hinge on the views of the three or four traditionally centrist justices, who in 1993 ruled against a challenge to a woman's right to have an abortion.



Centre of attention: Dr Philip Nitschke with his 'death machine' comprising laptop computer and lethal injection kit

Photographs: AP

## Second Australian exercises right to die

Robert Milliken  
Sydney

The world's first law allowing voluntary euthanasia came under renewed political pressure yesterday when it was revealed that Janet Mills, a 52-year-old from South Australia, had killed herself last week, the second person to do so under the legislation in the last four months.

"Peace at last," were Mrs Mills' last words to her husband who sat by her bedside in Darwin, in the Northern Territory, as she administered a lethal injection to herself using a computerised "death machine".

Also in attendance was Philip Nitschke, the controversial Darwin general practitioner known as "Doctor Death" over the machine he invented that allowed Mrs Mills to choose her moment of death by pressing a button that administered the injection. Dr Nitschke announced yesterday

that Mrs Mills had died last Thursday, but that he had kept her death secret until now in deference to her family's wishes for their grief to remain private.

Mrs Mills, who was suffering from cancer, travelled from her home to Darwin to take advantage of the territory's Rights of the Terminally Ill Act which allows people with incurable conditions to die when they wish after receiving consent from three specialist doctors, including a psychiatrist who must certify they were not clinically depressed when they made their request.

After getting the necessary signatures, Mrs Mills became the second terminally ill person to use the law successfully since the Northern Territory parliament passed it by a narrow margin last July. The first was Robert Dent, a father with incurable cancer, who induced a lethal injection to his body from another of Dr Nitschke's machines in September.

But within minutes of yesterday's

news about Mrs Mills, a national debate re-ignited around Australia about the moral, legal and political status of the territory's law. The Australian Medical Association strongly opposes it, and has isolated Dr Nitschke.

The federal parliament in Canberra, which has power to override territory legislation, is in the process of doing just that to the euthanasia law. The House of Representatives, the lower house of federal parliament, voted by 88 votes to 35 last month to overturn it, with MPs voting according to their consciences.

The federal Bill must now go to the Senate, the upper house, where its passage may be more stormy. Traditionally, the Senate is a chamber that represents states' rights. Australia's six state governments have condemned Canberra's bid to stifle the euthanasia law, seeing it as an unwarranted interference in the regional governments' powers to conduct their own affairs.



'Peace at last': Janet Mills, who was suffering from incurable skin cancer



Fatal battle: Jack Kevorkian (left), assisted in suicides, and is known as Dr Death to his foes but is a hero to others

## Anger at professor's race claims

Elizabeth Nash  
Madrid

A new textbook that is required reading for university students of psychology in Madrid describes blacks as "primitive and inferior to whites" and Asians as "slow and stupid". Outraged students have demanded the

book be withdrawn and its author penalised.

The book, by Guillermo Quintana, Professor of Educational Psychology at Complutense University, includes the assertion that "Islam is internally violent" and that the former Socialist leader Felipe Gonzalez is "paranoid". The

*Psychology of Personality and its Disturbances* is described in a prologue by Torcuato Luca de Tena, scion of an influential publishing family, as "a great work". But its assertions are unsupported by evidence.

"It was practically compulsory to buy the book," says Raquel Jimeno, a student of

Professor Quintana. "The Professor assured us that it contained the content of his classes, and those who couldn't attend would certainly pass his course just by reading it."

The Rector of the university, Rafael Puyol, said he would deplore any racial slurs though had not read the book.



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# Japanese unable to stop massive oil slick heading for coast

Tokyo (AP) — Gale-force winds and high waves kept Japanese clean-up ships away yesterday as a major oil spill from a sunken Russian tanker blew closer to Japan's coast.

Late yesterday, the eastern tip of the 950,000-gallon spill was about 14 miles from the city of Fukui, 190 miles west of Tokyo.

Earlier in the day, it had been

reported 25 miles away in the Sea of Japan. But for much of yesterday, the gale blew the oil east-northeast against the current off the Noto Peninsula, at an average of about 10 mph.

Depending on shifts in wind and current, the slick could reach coastal fisheries and the shoreline by tomorrow or Thursday, said Shinji

Sato, a regional spokesman for the Maritime Safety Agency.

The tanker *Nakhodka*, bound for Russia's Kamchatka Peninsula, was carrying about 5 million gallons of fuel oil when it broke in two last Thursday, about 90 miles off Japan's western coast.

The size of the spill so far is a fraction of the 11 million gallon spill from

the tanker *Exxon Valdez* in Alaska in 1989. Damages totalling some £30m were paid in that case.

Rough weather continued last night, but was expected to moderate tomorrow. The coastguard said oil may remain in the bow section of the ship, which was floating at the eastern edge of the slick near Fukui, but most of it went down with the other

portion. The captain of the tanker was still missing but the other 31 crew members were rescued unhurt. The cause of the accident remains unclear.

The sinking has worsened an energy crisis in the Russian Far East. With existing fuel stocks projected to run out next Sunday, regional officials imposed fuel conservation

measures on Saturday, the Interfax news agency reported.

It said the main town on the Kamchatka Peninsula, Petropavlovsk-Kamchatsky, would have six hours of electricity cuts a day to save power, and surrounding regions would also be affected. Russia's Prime Minister, Viktor Chernomyrdin, pledged yesterday to keep

heat and electricity from running out entirely in the fuel-starved region.

The spill was the second largest from a tanker off Japan since the Second World War, according to coastguard records. The largest occurred near the port of Niigata, 160 miles north-west of Tokyo, on 30 November 1971, when nearly 2 million gallons of oil spilled.



Last supper: Prisoners at Gikongo jail in Kigali prepare food for the 5,000 inmates detained in the complex, many of whom are facing prosecution in Rwanda's first genocide trials over the killing of 800,000 Tutsis and moderate Hutus in 1994. If convicted they face the death penalty. Photograph: Peter Andrews/Reuters

## US envoy tries again to seal deal on Hebron

David Silverman  
Reuters

Bethlehem — United States envoy Dennis Ross met Palestinian President Yasser Arafat in self-ruled Bethlehem yesterday to try again to forge a deal on an Israeli army handover of part of the West Bank town of Hebron.

Mr Ross was making an intense effort to close gaps between Mr Arafat and Israel on Hebron. The Palestinian leader was due to meet Prime Minister Benjamin Netanyahu's negotiator, Yitzhak Molho, later in the day.

Israeli and Palestinian officials both said there could be an Arafat-Netanyahu summit later, although none was scheduled.

Palestinians said a summit to clinch a deal could take place in Beit Shour outside Bethlehem.

Officials on both sides said they had agreed on increasing the number of international observers to be posted in Hebron after the Israeli redeployment. But the officials said they still had to sign that deal.

The Palestinian negotiator, Saeb Erekat, said he and Israeli officials, meeting in Jericho,

agreed to increase the number of observers in Hebron to 210 from 30 once Israel hands over 80 per cent of the town to Palestinian self-rule.

"We reached agreement basically on all the points and now the agreements go to those in charge on each side. It's hard to estimate when it will be signed," an Israeli foreign ministry spokesman said.

Under the agreement 180 peace-keepers from Denmark, Italy, Norway, Sweden, Switzerland and Turkey would join 30 Norwegian observers already stationed in the town.

Hebron, burial place of the biblical Abraham and home to 100,000 Palestinians and 400 Jewish settlers, has been a flash-point of Jewish-Arab violence.

Security issues and other concerns over the last 10 months have delayed the Israeli handover.

"We have made a lot of progress. There is not a lot that separates the parties but there is not an agreement yet and we don't have an agreement until everything is resolved. And everything is not resolved," Mr Ross said after meeting Mr Netanyahu.

## France steps up fight against rebels in Africa

Mary Dejevsky  
Paris

The simmering debate about French military involvement in central Africa boiled up with a vengeance yesterday after French troops were said to have followed up a massive reprisal operation in the Central African Republic with an airlift of more than 1,000 troops into northern Zaire. The purpose of the airlift was said to be to help the Zairean army against rebel forces occupying the north and east of the country.

As government officials in Paris furiously denied all involvement in Zaire but defended Sunday's operation in the Central African Republic, the leader of the Socialist opposition, Lionel Jospin, questioned the accountability of those running France's military operations in Africa. Meanwhile, the usually pro-government newspaper, *Le Figaro*, published a critical editorial denouncing the rationale behind France's military presence in Africa as rooted in the past.

Early yesterday morning, rebel leaders in the town of Goma in western Zaire reported the arrival of a large contingent of French troops in the area of Kisangani in northern Zaire. Like Goma, Kisangani is currently held by rebels, following the advances they made



during the refugee crisis on the Zaire-Rwanda border last year.

The reports said another 2-3,000 foreign troops were also in the region, mostly mercenaries from Angola and South Africa. The French troops were said to have up to four Antonov military transport aircraft, 14 tanks, three helicopters and three fighter planes.

The reports were vehemently denied by the French defence ministry — which said there were only five French gendarmes in the whole of Zaire and the military attaché.

Similar denials followed from the foreign ministry. The Zairean military attaché in Paris, Colonel Eyongo, said that "anyone who makes these allegations must be a little mad". The South African organisation

named by rebels in Goma as having sent the mercenaries — Executive Outcomes — also denied involvement.

The proximity of Kisangani to Bangui, capital of the Central African Republic, where French reinforcements had recently arrived to carry out Sunday's reprisal operation, however, suggested both how such an operation could have been mounted and how the Zairean rebels might have believed it possible.

The new head of the Zairean army, appointed after the return from France of President Mobutu two weeks ago, had sworn to recover rebel-held regions. France, moreover, is licking its diplomatic wounds after failing to muster an international force to mount a humanitarian operation in eastern Zaire last November. After this defeat, President Chirac said that the days of French intervention in Africa were over.

To critics, however, the military operation mounted by French troops in Bangui on Sunday, looked exactly like old-style French colonial intervention.

According to *Le Figaro*, it was coordinated closely with the Elysée. It may have even been intended partly to counter the growing image of French impotence in its former African

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obituaries / gazette

Sir James Comyn

The IRA unit that in May 1981 fire-bombed the Irish home of Sir James Comyn in the hope of striking another blow against British imperialism could hardly have found a more inappropriate target. Comyn, the son of a nationalist barrister from County Clare, was the least imperious of judges - British or Irish - and he had a natural sympathy for the underdog. Somerset Maugham's suggestion that judges, as a reminder of their humanity, should come on to the bench bearing a toilet-roll rather than a nosegay would have been lost on him.

His father, another James, and an uncle, Michael, were barristers and were political and legal advisers to Eamon de Valera. It was Michael Comyn KC who defended the English-born republican Erskine Childers and who had to advise the Court of Appeal in Dublin



Comyn: summing it up

that his client had been executed while the appeal was pending. The Comyn home, Beaufield House, in Stillorgan, Co Dublin, was one of the "safe houses" used by de Valera dur-

ing the civil war. But, just before de Valera gained political power in 1932, he and the Comyn brothers had an irreparable falling-out. The consequences for their legal practices were severe and it was decided that the young James, who wanted to become a lawyer, might have a brighter future on the other side of the Irish Sea.

He arrived at the Oratory School in Birmingham shortly after his 12th birthday and thus began an association with the school and the Oratorians which continued until his death. After school there followed a six-month stint as a trainee journalist on the *Irish Times* under the formidable editor R.M. Smyllie. After a joke concerning the matrimonial status of a distinguished ecclesiastic which he added to an obituary notice found its way into print he was

banished to the racing department and decided to abandon journalism.

He entered New College, Oxford, at 17 and in 1940 defeated Roy Jenkins to become President of the Oxford Union. He worked briefly at the BBC until his call to the Bar at the Inner Temple in 1942.

In *Summing It Up: memoirs of an Irishman at law in England* (1991), he wrote affectionately and well of his early years as an impoverished young barrister doing the rounds of the magistrates and county courts and attempting to make ends meet by giving night classes in banking (of which he knew nothing) to ambitious young clerks. One of his early successes was tinged with trepidation as he had won a suit for negligence against the bank which was providing his much-needed overdraft.

He was fortunate in getting

a pupillage and later a place in chambers with Edward Holroyd Pearce KC (later Lord Pearce), to whose friendship and guidance he attributed most of his later success. In dedicating one of his books to his former master, he used Goldsmith's phrase: "An abridgement of all that is pleasant in man."

His tremendous powers as an advocate were soon recognised and in his heyday it was regularly said of him that "Jimmy Comyn can take the stink out of the worst of cases."

One of his most spectacular successes was in winning libel damages for the former safe-blower and jail-escapee Alfie Hinds against a detective chief inspector of Scotland Yard and *Reynolds's News*. Hinds had been given 12 years by Lord Goddard for a West End safe-blowing, which he always denied being involved with. In an effort

to prove his innocence he escaped three times from prison and once from the Law Courts.

When in 1964 Det Ch Supt Herbert Sparks published his memoirs he said that Hinds was indeed guilty and should take his punishment like a man. The subsequent action for defamation provided a "trial within a trial" and Comyn, who believed passionately that Hinds had given up crime and was attempting to go straight, convinced the jury that Hinds had been framed. He opened the case to the jury by saying, "This man Hinds is innocent - and Mr Sparks knows it." The trial judge, Mr Justice Edmund Davies, said in his summing-up: "If these words be true, then they are the most terrible I have heard in 30 years at the law." Hinds was awarded £1,300 damages and the Home Secretary

ordered his immediate release. Until his death in 1991, Hinds invariably sent Comyn a Christmas card.

In 1970 Comyn successfully defended the Labour MP Will Owen, on charges that he had passed secret information to the Czechs. He acted in many famous defamation cases and defended *Private Eye* on the charge of criminal libel brought by Sir James Goldsmith in 1977. He appeared on family matters for Lord Lucan. As a trial judge he tried what was then the longest libel action in British legal history, *The Daily Mail v the Moonies*, and the case of *Derek James v the BBC*.

James Comyn was appointed Recorder of Andover in 1964. He served as Chairman of the Bar Council of England and Wales in 1973-74 and was appointed to the High Court in 1978. He was also a member of

the Irish Bar and the Hong Kong Bar.

Comyn never forgot his Irish roots and throughout his career divided his time between England and his beloved home, "Belvin", in Tara, Co Meath, where he bred Friesian cattle. He was married to Anne Chaundler, a solicitor.

**Michael O'Toole**

*James Comyn, lawyer and farmer: born Dublin 8 March 1921; called to the Bar, Inner Temple 1942; called to the Irish Bar 1947; QC 1961; Recorder of Andover 1964-71; Recorder of the Crown Court 1972-77; Chairman, Bar Council 1973-74; Kt 1978; Judge of the High Court of Justice, Family Division 1978-79; Queen's Bench Division 1979-85; married 1967 Anne Chaundler (one son, one daughter); died Navan, Co Meath 5 January 1997.*

André Franquin

"The father of Gaston Lagaffe is dead!" "Franquin's last gaffe!" These were two of the huge headlines splashed across the front pages of yesterday's French press. The great Belgian cartoonist and humorist André Franquin, whose books sold by the million, an entertainer beloved of both young and old, had finally succumbed to a sick heart and chronic depression.

For this zany storyteller was a man haunted by sinister anguish, that he tried in vain to counter by laughing at his *idées noires* ("dark thoughts" or "the glums") in a stream of surrealist fantasy. Belgium is Europe's most original country, its weird enchantments recently most convincingly portrayed in Alex van Warmerdam's films and the Belgian television documentaries *Strip Tease*, all magnificent tributes to the beautiful strangeness of Belgian life, in which geniuses like Paul Delvaux and René Magritte, as well as the Cobra group, found so much of their visual and literary inspiration. André Franquin belongs to them.

He was born in the fairytale city of Brussels. His was a respectable bourgeois family - always a fruitful breeding-ground for nonconformists and subversives. His staid father, who worked in a bank, intended his son to be an agronomic engineer, the sort of career that André's cartoon stories were to satirise and mock. He attended the same school in Ixelles as his friend Hergé, the father of immortal Tintin. He was later to say of Franquin: "He's a great artist, beside whom I'm only a wretched draughtsman."

Hergé's drawing was neat and clean, his scenarios wordy. But Franquin's line was thick, bold, vivid and always extreme in its comic distortions. Among other fellow cartoonists of the Charleroi school like Morris, creator of Lucky Luke, and

Robert Velter, the originator of Spirou, Franquin soon stood out as the leading talent.

They all worked at the CBA Studio in Brussels and, when that folded, moved to the publisher of comic books, Dupuis, in Charleroi - another entrancing Belgian city, the setting for some of Simenon's finest books. They contributed to the weekly comic *Spirou*, and in 1946 Franquin was commissioned to take over the character who gave his name to the comic, and in which we follow his hilarious misadventures as an incompetent page at the Hôtel Moustique. It was all wildly funny, and a great hit in both Belgium and France.

Franquin's first original creation was a black-spotted animal with a face somewhat like a gentle tiger's, but with an abnormally long tail that could be used as a powerful weapon. He called it Marsupilami, and it greeted an astonished then utterly delighted public in 1952. Disney made an animated version in 1992, but as might be expected, the bland treatment of his creature did not meet with its maker's approval.

Marsupilami's speech was mainly onomatopoeic, like the exclamation "Houba!" that Franquin copied from the jazz trumpeter Dizzy Gillespie: he would use it between solos to help him get his puff, and it can be heard on "live" recordings. The creature proved an enduring success. His frenzied contortions were copied from Brussels tram drivers who had to take money, give change, punch tickets, ring starting bells and close doors, all at top speed.

In 1953, Franquin created a typical couple, Modeste and Pompon, whose dinky home is a museum of 1950s popular arts and crafts. Their friends and relations are gently but pitilessly satirised.

But it was in 1957 that Franquin gave birth to his most celebrated character, Gaston Lagaffe, the last part of whose surname tells us what kind of scrapes he gets into. Indeed, he is always committing gaffes. He is a Belgian equivalent of the boy in *Mad* cartoons, but infinitely more subtle and inventive in his madness, and his ears are more outstanding, while his potato nose covers almost his whole face, and his ragged clothes are a sight to be seen. On his feet are a huge pair of disintegrating espadrilles. He is one of the ninth art's most endearing characters.

Gaston has some of the qualities of his maker, just as the name "Modeste" describes Franquin's own inoffensive and retiring nature. For Gaston is a gentle subversive, an anarchist whose plans to improve society go comically wrong. In a set of inspired gags, Franquin shows him inventing machines of no use to anyone, like the one for making smoke-rings for non-smokers. But he is on the side of the angels, as Franquin was: witness his posters and cards created for the benefit of Amnesty International, Unicef and Friends of the Earth. Gaston was a hippy before his time. The last volume of his antics appeared in December 1996, and sales have already reached one million.

Like Gaston, Franquin loved sleeping, but in recent years his dreams became painful in their hectic horror. He published black-and-white cartoons illustrating his *idées noires* and his tormented dreams.

Now André Franquin has entered that demented darkness he inhabited all his life, with a smile, a joke, and a host of comic cartoon immortals to keep him eternal company.

**James Kirkup**

*André Franquin, cartoonist: born Brussels 3 January 1924; died Saint-Laurent-du-Var, Midi 5 January 1997.*

Robert Velter, the originator of Spirou, Franquin soon stood out as the leading talent.

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A hippy before his time: Franquin's character Gaston Lagaffe immortalised in a Brussels statue

Charlotte Haslam

Charlotte Haslam devoted nearly 20 years of her life to the Landmark Trust, a charity which rescues buildings in distress and gives them a new life by letting them for holidays. At first she was engaged in historical research; then she edited the trust's publications as well; and latterly she was also an architectural adviser and supervisor. For some years she was one of the trustees.

Like many Smiths, she was a distant cousin of mine - known as "Nim", born in 1954 and brought up on Treco in the Scillies. I first remember her as a little girl with a fat pigtail, firmly strapped into a blue mac, made to walk up snipe through breast-high gorse on the island of St Martin's for ourselves and her father to shoot. He was a well-to-do retired naval officer, intelligent of course, but consciously monarch of all he surveyed and very reluctant to change his opinion. Her mother, Tamara, of noble Russian (Georgian) descent, was the most beautiful woman I ever beheld, an extraordinary figure to find on an island off the far west point of Cornwall. These genes brought Nim a good brain, beautiful eyes, and a resolute character.

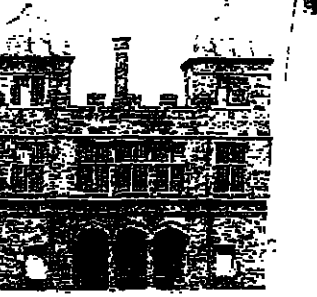
After reading History at Exeter University, she worked briefly as an assistant on the Penguin "Buildings of Wales" series and with the architect Clough Williams Ellis at Plas Brondanw. Then, in 1978, she decided she would like to work for the Landmark Trust. In those days, 13 years after it was founded, quite a few people wanted to do that, and as I - then chairman - am dilatory and indecisive it was entirely due to her persistence that she joined us.

At first she carried out historical research into the various buildings which came our way, and also edited successive editions of the *Landmark Handbook*, latterly writing most of it. Since she was not an orderly worker we gave her, in the basement of our office at 21 Dean's Yard, Westminster, a large room, once the servants' hall of the Receiver General's house; and here, in the intervals of studying the ankles of innumerable visitors to the abbey, which was all she could see from her window, she produced reports on our buildings in scholarly left-handed writing. From time to time her assistant Emily Holden would spend a week or so tidying the room.

She had a very just appreciation of what the Landmark Trust is all about - how everything at each property should be perfectly done, but unaffected, indeed unnoticeable - and grad-

ually she played more and more of a part in appraising buildings offered to us and in deciding how to treat them. Once she and I visited a grand house in the West Country, with quite a grand owner who showed us round, and to whom I tried to give the impression that the Landmark was a serious body. When we reached a narrow upstairs gallery with a well-polished floor, Nim, instead of admiring the architecture, suddenly said: "This would be very good for hassock polo", which betrayed her Dorrien-Smith origin.

On another occasion, at Ifley Rectory on the outskirts of Oxford (one of the most numinous buildings which the Landmark Trust possesses), she had arranged to be picked up after our visit by the architectural historian Richard Haslam, whose assistant she had been while he was writing about Wales. He did



Swarkestone Pavilion, in Derbyshire, the Landmark Trust's 'majestic little pavilion' which she decorated the title-page of the 1995 *Landmark Handbook* edited by Charlotte Haslam

not appear by the time I had to leave, and eventually, with some misgiving, I abandoned her in the dusk, standing on the edge of the pavement, her feet close together, like a well-schooled child, or a soldier. Next day I telephoned to make sure she was all right. Richard, I emerged, had kept her waiting there for several hours, and after the ensuing discussion they had become engaged.

She was strong-minded, sensible, intelligent and humane good company, with a well-developed sense of the ridiculous. Her death (from meningitis), leaving two young sons and a very young daughter, is a most deplorable loss; but she also leaves her own impression for good on the buildings of England, and of few can that be said.

**John Smith**

*Charlotte Sophia Smith-Dorrien-Smith, architectural historian: born Treco, Isles of Scilly, 22 April 1954; married 1980 Richard Haslam (two sons, one daughter); died Basingstoke 3 January 1996.*

Harry Helmsley

In his declining years, Harry Helmsley would make headlines for the wrong reasons: as the failing husband of a dominating wife, charged along with her for tax fraud, only to be deemed at the age of 80 mentally unfit to stand trial. But for half a century, from the late 1930s, he was arguably the very symbol of the property business in Manhattan, monarch of an empire that at its height was worth \$5bn, perhaps more.

As with so many property magnates, his fortune was entirely self-made. Harry Helmsley took his first job at the age of 16, as a \$12-a-week office boy in a property management company. Thereafter he became rent collector, broker and investor in a small real estate ven-

ture, which in 1938 he bought out. This was born Helmsley-Spears, presided over by Helmsley in person from a 53rd-floor Manhattan office, decorated with models of its most famous asset, the Empire State Building (bought in 1961 for a then record \$65m), and hundreds of red folders detailing the progress of his various investments.

In his prime, Helmsley towered over New York's real estate business just as the Empire State Building dominated midtown Manhattan. Few were quicker to see how a building's potential value could be realised. Mortgage lenders trusted him completely. If Harry Helmsley said a deal was sound, the unwritten rule was, finance would be forthcoming, no ques-

tions asked. Not least of his qualities was patience, and faith in the passage of time. Others would bail out in severe market downturns, but, famously, not Harry Helmsley. He bought to hold. Though married twice (first to Eve Ella Green whom he divorced in 1971) he had no children. "My properties are my children," he would tell interviewers.

The final decade of his life was a postscript unworthy of the man. In fading health, he was overshadowed by his ambitious, self-promoting second wife Leona, a former model and real estate saleswoman, whom he married in 1972. In 1988, the couple were charged with tax fraud, for buying expensive furnishings for their Connecticut

mansion and then deducting them as business expenses for the Helmsley hotel chain. Because of lost memory and diminished powers of reasoning, he was spared the shame of court. Leona however was convicted and given a four-year jail term. Thereafter many properties were sold off, and a year before his death, *Forbes* magazine put Harry Helmsley's net worth at \$1.7bn.

Embroidered in a feud with the rival developer Donald Trump, and in lawsuits with her husband's former business partners, Leona may soon lose control of Helmsley-Spears, the management company at the heart of the Helmsley business. As well as the Empire State Building, it embraces the Lincoln Building

on 42nd Street, the Flatiron and Toy Center buildings on Fifth Avenue and other properties representing over 30 million square feet of office space, residential and industrial developments and, of course, the Helmsley Hotel chain. Their future may be uncertain - but not Harry Helmsley's place in the history of New York real estate, in an era before computers and modern management sciences, when instinct was all.

**Rupert Cornwell**

*Harry Brubmann Helmsley, property developer: born New York City 4 March 1909; married 1938 Eve Ella Green (marriage dissolved 1971); 1972 Leona Rosenthal; died Scottsdale, Arizona 4 January 1997.*



Helmsley: net worth of \$1.7bn



Van Zandt: "Pancho and Lefty"

Townes Van Zandt was one of the true poets of the world of country music.

Steve Earle, no slouch in the songwriting department himself, once said of him: "Townes Van Zandt is the best songwriter in the whole world, and I'll stand on Bob Dylan's coffee table in my cowboy boots and say that." Mickey Newbury, another fine Music City songwriter concurred: "He writes like Hank Williams probably would have written, but I tell ya, I think Townes is better. I consider him in the same category as Dylan and McCartney."

Van Zandt's best-known song, the one that he was apt to introduce at live performances as "a melody of my greatest hit", is "Pancho and Lefty". Enigmatic and atmospheric, it remains one of the most discussed country tunes of the past 30 years and has been subject to a variety of interpretations. The writer himself, for example, recalled, "I remember thinking while writing 'Pancho and Lefty' that it was not about Pancho Villa. So many people feel that it is, however, that it might be."

In 1983 Willie Nelson and Merle Haggard took "Pancho

and Lefty" to the top of the country charts, having virtually stumbled upon it when Willie's daughter Lana brought a copy of the Emmylou Harris album *Luxury Liner*, which featured the song, into the studio. The resulting duet was magic and it served as the title track for a subsequent album. Initial pressings of what was later named *Album of the Year* by the Country Music Association, were inadvertently labelled "Pancho and Lefty" rather than "Pancho and Lefty". Besides being a collector's item, these long-players may

partly explain why the song is now so often mislabeled.

The scion of one of Fort Worth's most influential families, Townes Van Zandt readily absorbed the diverse musical sounds that filled the region's airwaves, from the western swing of Bob Wills to the rock 'n' roll of Elvis Presley and was particularly, and most tellingly, drawn to the great Texas bluesman and storyteller Sam "Lightnin'" Hopkins.

He learned to play guitar by listening to records and, following a brief period in the Peace Corps, moved to Hous-

ton where he played in bars and clubs and began to establish a local reputation. His first album, *For the Sake of a Song*, surfaced on the local Tomato label in 1968 and not only cemented that reputation but brought him to national attention. His sophomore effort *Our Mother the Mountain* (1969) was produced by the legendary "Cowboy" Jack Clement of Sun Records fame.

Nineteen seventy-two saw the release of his seminal *High, Low and In Between* which featured not only "Pancho and Lefty" but also "If I Needed

You", later successfully covered by Don Williams and Emmylou Harris. It was followed, a year later, by the equally fine *The Late, Great, Townes Van Zandt*.

Over the past two decades Van Zandt's recorded output has proved sporadic. He saw the medium essentially as a means of immortalising his songs and was content to remain a "live" act as albums like *Live at the Old Quarter* (1977), *Live and Obscure* (1985) and *Roadsongs* (1994), on which he salutes some of his old favourite fellow-writers, testify. More recently

however, he had returned to the studio, cutting the acclaimed Celtic-flavoured *No Deeper Blue* (1995) in Ireland with Irish musicians.

Townes Van Zandt was not one of the genre's finest vocalists, but the honesty of his songwriting and the memorable images he painted in words suggest that his work will endure.

**Paul Wadey**

*Townes Van Zandt, songwriter and singer: born Fort Worth, Texas 7 March 1944; married; died Nashville 1 January 1997.*

33 years he kept secret his affair with a divorced British actress, Lilian Craig, for fear of harming the monarchy.

**John Smith**

*Charlotte Sophia Smith-Dorrien-Smith, architectural historian: born Treco, Isles of Scilly, 22 April 1954; married 1980 Richard Haslam (two sons, one daughter); died Basingstoke 3 January 1996.*

Table with 2 columns: Birthdays, Deaths

Birthdays: Dr Tim Black, chief executive, Marie Stopes International, 59; Miss Hazel Buicher, cricketer, 43; Miss Hazel Counsell, circuit judge, 68; Mr Hunter Davies, author and broadcaster, 61; Mr Tony Elliott, founder and chairman, Time Out Group, 50; Sir Peter Graham QC, former First Parliamentary Counsel, 63; Mr Stuart Hampson, chairman, John Lewis Partnership, 58; The Right Rev Christopher Hebert, Bishop of St Albans, 52; Mr Ian La Frenais, screenwriter and producer, 60; Mr Makolm MacDonald, footballer and manager, 47; Miss Maureen MacGlashan, ambassador to the Holy See, 59; The Viscount of Oxford, a Deputy Speaker, House of Lords, 63; Sir John Page, former chairman, National Ports Council, 82; Professor Koble Sykes, Emeritus Professor of Physical Chemistry, Queen Mary's College, London, 79; Air Commodore the Hon Sir Peter Vaneek, former Lord Mayor of London and MEP, 75; Miss Helen Worth, actress, 46; Mr Will Wyatt, managing director, BBC Network Television, 35.

Deaths: Catherine of Aragon, first wife of Henry VIII, 1536; Trevor Wallace Howard, actor, 1983. On this day: Glasgow University was founded, 1458; the London General Omnibus Company started operating, 1827. Today is the Feast Day of St Aldric, St Canice Lavarid, St Lucian of Antioch, St Raymond of Penafort, St Reinold, St Tillo and St Valentine of Rhætia.

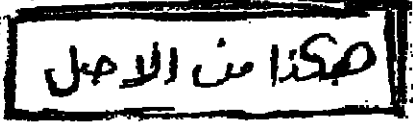
Sir William Brown  
A service of thanksgiving and remembrance for the life of Sir William Brown will be held at Glasgow Cathedral on Sunday 11 January at 11am.

Lectures  
National Gallery: Lynda Stephens, "Nymphs and Shepherds (I): the Vase and the Arcadia", 1pm.

Tate Gallery: Justine Hopkins, "The Proper Study of Mankind": transformations of the human figure (I)", 1pm.

For Gazette BIRTHS, MARRIAGES & DEATHS please telephone 0171-293 2011 or fax 0171-293 2010. Charge £6.50 a line (VAT extra).

Changing of the Guard  
The Household Cavalry Mounted Regiment will be on duty at Horse Guards, 10-11, in the morning. The Queen's Colour Guard will be on duty at Horse Guards, 11-12, in the afternoon.





# The Tories mustn't fudge on Europe

Are we naive to be filling our front page with questions for politicians not to answer? After all, we have all seen what happens during election campaigns. The media moan that the parties won't respond to the important questions; the politicians retort that they have answered very thoroughly, thank you – or at least that they have answered any question worth asking. Pragmatic electoral considerations keep them safely mum on everything else. In the circumstances, then, it looks as though we might be wasting our time.

But no: election campaigns are skillful games in which politicians and journalists circle each other, each trying to register different points. Some of the questions thrown at politicians of all parties will be unfair and ridiculous – the “have you stopped beating your wife, yes or no?” variety, alternating with “why won't you promise to cut tax and raise spending in your first week?”

However, politicians also have a clear interest in ducking certain sensible and legitimate questions, too. We can understand why they want to do it: it may occasionally help them win more votes in the short term. But that should not stop voters getting the information they want to make a balanced decision between the parties. And in the long term, as we shall see, politicians themselves lose out by not talking straight with the voters.

Admittedly, where politicians lack the facts to make a balanced judgement, it is foolish to expect them to provide all the answers. When Labour MPs say they cannot promise more money for everything until they have “seen the books”, we should applaud rather than condemn them. They are exhibiting more honesty and prudence this time round than they did in 1992, when party policy documents were stuffed full of unaffordable spending aspirations.

We can sympathise with Ken Clarke too, when he points out that his judgement about whether Britain should join the European currency in the first wave depends at least in part on facts that we do not yet know, including the structure of the new monetary system, the proposed relationship between countries that are in and out, and the state of the British economy at the time.

In the past, our politicians have often been too enthusiastic to answer questions when they should have known they were too ill-informed to make responsible commitments. In 1992 the Conservatives said we could have tax cuts year on year. They should never have made such a promise.

Governments cannot commit to reducing the tax burden every year when they never know what unforeseen economic events might blow

them off course. John Major could have given a far more honest and intelligent answer to the tax question. Likewise Labour's lack of access to the resources of the civil service and the government's accounts should not prevent the party giving us its broad tax and spending intentions. We may not need a Shadow Budget (there wouldn't be much point; the details would all have to change) but we should be told how redistributive Labour thinks the tax system should be.

We know the party thinks that the tax system should be “fair”; but vot-

ers also need to know whether Labour believes fairness requires a new top rate of income tax to redistribute some of the earnings of the very rich, or merely a windfall tax to take back some of the profits of the privatised utilities.

For their part, the Conservatives cannot use the absence of information about the shape of a single currency to duck answering questions about the principle of monetary union. They should be able to explain, for example, under what specific conditions Britain could contemplate joining a European Monetary Union, even if we cannot yet

tell whether those conditions will be fulfilled. Alternatively, if the Tory command actually expects to withdraw from Europe, or “renegotiate” our relationship away from Europe, voters have a right to know because the implications will be immense.

The Conservatives' fudge over Europe goes to the heart of the problem. The reason we are not getting a straight answer has nothing to do with lack of information, or responsible politics, and everything to do with the fact that there may be something to hide. That is precisely why we are highlighting the question: so that no one forgets that it's being avoided.

There are at most 16 weeks left to go before a general election. Not long, is it? All of the political parties still have time to be more forthcoming. If they have simply chosen to delay policy announcements until the run-up to the election for political reasons, that's fine. Election campaigns are, after all, complicated games of strategy. Giving your opponent time to sabotage your preparations is unwise, to say the least.

But politicians should not be allowed to use these excuses for fudging the big issues entirely. Our politicians have an interest in steering away from risky, provocative headlines. They do not want to risk offending voters, ignite tabloid campaigns or provoke tensions in their own parties

unless they are forced to do so? But that is exactly why we will harry the parties for answers to perfectly proper, answerable questions. Whichever lot we elect, we could be stuck with them for the next five years. The more we know in advance, the less complaint we will have later.

## A royal saviour rides into view

It feels as if, after 1,000 years, the English monarchy is coming to a long, slow end. Most of its present representatives have lost the people's respect. Half the population don't think the institution will last another 50 years and few think it will last to the end of the next century. As we ponder the question of an alternative – a presidency, perhaps? – Richard Branson comes floating into view, under a balloon of hot air. There he is, the entrepreneur *de nos jours*, second in the people's choice from Mori's list of possible presidents. But wait, who came first? Princess Anne, of course. Another devotee of dangerous sports. Well, at least she looks more handsome in a white dress than Mr Branson. Maybe that's the answer – not a constitutional monarchy but an elected one...

## LETTERS TO THE EDITOR

### Cash famine at the British Museum

Sir: On three occasions during the past four months, which I have spent on a sabbatical in Oxford, I have visited the Assyrian and Mesopotamian collections at the British Museum, only to discover that the relevant galleries were closed to the public. The reason given by the staff at the museum has been a lack of guards; one of them – watching a neighbouring gallery – politely explained that in his view the entire museum was rapidly being closed down, with guards being made redundant for reasons of economy. My colleagues in the Department of Western Asiatic Antiquities at the museum could do nothing more than express their extreme dissatisfaction with this state of affairs.

I hardly need to say that I have myself been very unhappy and indeed angry in these situations, where as a visitor from Denmark I had to leave without having seen what I came for, and where in one instance I could not have access to the reliefs in the Assyrian basement where I had to check details in connection with my work on a forthcoming book. This shows a flagrant disregard of the most essential public duty of the museum.

The situation is particularly bizarre with respect to the Mesopotamian galleries upstairs, rooms which have been newly installed on the basis of a large grant from the American Sackler family. It must be a strange feeling for these sponsors to know that their money has been spent on lavish refurbishment of galleries which are mostly closed to the public.

But the larger question of the museum's duty to display its collections to visitors and scholars remains. I feel certain that the persons responsible for the closed galleries, and that they feel compelled to such expedients because of a lack of funds. In my view it is a public duty which is being disregarded, and I would respectfully point out that the British Museum is a unique storehouse of world treasure, whose significance transcends national considerations.

How funds should be raised or allocated can hardly be my concern, but one hopes that the negative experience of entrance fees at, for example, the Ashmolean in Oxford is taken into consideration. The scandal is that one of the most important cultural institutions in the country is allowed to decline to such an extent that it is incapable of living up to its most fundamental responsibilities. **MOGENS TROLLE LARSEN**  
Oxford

The writer is Professor of Assyriology, Copenhagen University

### End hypocrisy of abortion rules

Sir: The abortion law is out of date. We GPs have to go through the hypocritical process, along with a second doctor, of signing a document stating that the abortion is necessary for at least one of four well-defined criteria. In reality we are just agreeing to abortion on demand for any reason at all, usually because the woman doesn't want to be pregnant.

Would it not be honest and logical to dispense with this rather phoney legislation, or at least draft something more relevant to current



practice? I am not sure that abortion on demand is right but if it is what society wants, then let's be open and honest about it. **Dr STUART DOVE**  
Ashford, Kent

Sir: Has anyone made a serious attempt to calculate how many foetal lives would actually be saved by repealing the abortion law? The number of illegal abortions before 1967 is obviously impossible to count but there have been estimates of 250,000 per annum or more. When I was a young doctor, illegal abortion seemed to be everywhere. I suspect that few if any foetal lives would be saved by reverting to that situation.

What is certain is that we would return to a situation that filled the country's emergency gynaecological wards with exsanguinated, sometimes infected, sometimes dying women. Anyone who worked in those wards is likely to regard abortion as inevitable and illegal abortion as a preventable evil. **Dr ANN DALLY**  
Griffitham, West Sussex

Sir: Polly Toynbee (1 January) asserts that those who want to make abortion unlawful again in Britain don't really believe that a blob of an embryo is the same as a baby. I, for one, don't. But I believe that they are both human beings. Moreover, the embryo at the age of minus six months is the same human being as the resultant baby at the age of plus six months. In other words, the embryo and the baby are the same individual. To kill either of them is rightly classified as a form of murder.

The second plank in Ms Toynbee's argument is that if

abortion were really the massacre of the innocents that it is claimed to be, the essentially decent British public would have recoiled in horror from it long before this. Not so. The German people at the time of the Third Reich were basically not less humane and civilised than any other European nation. Yet by and large, they acquiesced in policies of their government that led to the Holocaust. **SEAN MORAN**  
Dublin

Sir: It is a pity that Polly Toynbee includes Jews with Christians and Muslims in a sweeping condemnation. Perhaps the well-publicised views of a former Chief Rabbi have led her to ignore a tradition of hundreds of years of debate between Jews about the ethics of abortion.

According to *halacha*, abortion is not considered killing. The mother's life and wellbeing take precedence over that of the foetus. The Mishnah makes a clear distinction between foetal life and newborn life.

Judaism offers a recognition of women's right to make a hard and painful decision – never an easy one. It is a tradition of respecting one's opponents, listening to and answering their arguments rather than caricaturing them, and recognising the importance of details and individual circumstances, rather than easy generalisations. Polly Toynbee could learn a lot from it. **LIN JAMES**  
London E11

### Europe must act against racism

Sir: I read with great interest the letter of Ann Dummert (1 January) about the European Year against racism, xenophobia and anti-Semitism.

Effective and comprehensive measures to guarantee equal treatment for all residents of the Union are urgently needed. For instance, a British citizen who is refused housing on the basis of his or her race in another member state should be entitled to redress on the basis of a right contained in the Treaty. The citizen's right to live in that other member state derives from the Treaty. The exercise of that right in dignity must equally be protected by the Treaty.

The suggestion, as I understand it, of the UK government that such measures should be taken intergovernmentally is not acceptable. The reports of the European Commission and Parliament have been scathing about the ineffectiveness of the Union's intergovernmental pillar, which lacks an appropriate implementation mechanism and judicial certainty. **ELSPETH GUILD**  
London E8

Sir: Ann Dummert (letter, 1 January) has done us all a service by highlighting the European Year Against Racism, which much of the British public may not have heard about, given the half-hearted

response from our own government.

This year could be a great opportunity for the United Kingdom to play a vital role in proposing amendments which would outlaw race and religious discrimination across the European Union.

Our organisation and a broad range of ethnic minority and anti-racist organisations feel that we should move away from inter-governmental action on immigration, asylum and race equality policy towards a common European legislation which would set high standards of protection against racial discrimination.

While it is the policy of the two main parties that Britain should maintain control over its own immigration and asylum policy, this situation does not preclude a UK government fighting for minimum race equality protection and legislation at the European Union level. **CLAUDE MORAES**  
Joint Council for the Welfare of Immigrants  
London EC1

### Vote now and save Ulster lives

Sir: After the latest breach of the loyalist ceasefire in Northern Ireland by a bomb under a Sinn Féin election worker's car, is it not time for Labour to try to force the holding of the Wirral South by-election; if not to help to fulfil

Tony Blair's recent promise to bring down the Government “any way we can”, then at least to save human life in these islands.

Whatever the outcome of a by-election now in Wirral South, it must be an improvement on the present situation of John Major's complete dependency on the Ulster Unionists. If Labour wins then the end of this government is made imminent. If the Tories retain the seat then John Major will have no excuse for continued dependency on the Unionists for the short time before he has to call a general election. Lives in Northern Ireland cannot wait on a vacuum lasting three months.

If the Unionists oppose moving the writ to allow the people of South Wirral their voice now, this interference in England's politics will set an interesting precedent for the handling of the principle of consent in Northern Ireland. **JOE MURPHY**  
Birmingham

### Fear of reform

Sir: When Mr Major says that constitutional reform is profoundly dangerous (“Major takes a lesson...” 6 January) he is only the latest in a line of unsuccessful rulers to hold this opinion. King John held it particularly strongly about Magna Carta and so did King Henry III about the summons of the first Parliament. Edmund Burke was quite right that “whatever now is established once was innovation”. **Earl RUSSELL**  
Liberal Democrat Social Security spokesman  
House of Lords  
London SW1

### Joys of a frozen New Year

Sir: How glad I am to have missed the annual British freeze-up, with its misery and chaos, by going abroad for the New Year. To some sunny clime? No, to Russia.

Here, nobody and nothing was fazed by the temperature, which regularly descended below -20°C at night. Long-distance buses chugged steadily along snowy country roads, airports stayed open and in our wooden village house, two splendid traditional stoves kept us deliciously warm. I won't go on about the pristine snow, pure air, vodka-laced picnics, merry New Year masquerades, or too many other people might want to join us next year.

Were there no disadvantages? Well, yes – it's rather icy around the well where we get water, and the unheated outhouse toilet is a touch chilly for sensitive parts. But this morning, when I woke up shivering in my modernised British centrally-heated home I was no longer sure which country has the real advantage in winter.

S'novim godom! Happy New Year!  
**CHERRY GILCHRIST**  
Bristol

### Swans poisoned by lead shot

Sir: As a non-angler who takes an active interest in swan conservation, I have to defend D A Beaumont (letter, 28 December). My experience is that anglers fall into two categories: those who belong to affiliated angling clubs, and those who simply fish a stretch of water from time to time.

I am fortunate enough to have built a rapport with anglers of the first category, who use the same lakes and canals as the swans that I look over. There appear to be very few tackling injuries from such waters where a self-imposed tight discipline exists. Tackling injuries tend to happen to birds unfortunate enough to use waters where the less committed anglers lurk.

It is unfair to tar all anglers with the same brush, as does Rosalind Barnes (letter, 2 January). A far greater concern is the continued use of lead in the shot used by wildfowling. This is still being put into our waters at an alarming rate, and lead poisoning is claiming more swans than tackle, several years after its use or sale in the form of weights up to 28.35 grammes has been made illegal. **BOB LANG**  
Uxbridge, Middlesex

### Pining dogs

Sir: Brendan Halpin (letter, 3 January) appears to think quarantine is justified on the grounds that dogs cannot appreciate time, “especially a future duration of six months”. Nor, of course, can babies or imbeciles, but that does not give us licence to place them in solitary confinement.

He confuses a concept with a felt experience. An animal may have no concept of next week or next June, but it has the experience of present time – in the case of quarantine, a seemingly interminable present deprived of its customary human or animal companions and normal activities. **Dr RAY RACY**  
Bristol



## analysis

# Back to basics of vaudeville

Jerry Hayes is a political clown of negligible importance to the Government. So why all the fuss over his sex life, asks Peter Popham

For those readers for whom the New Year break is an opportunity to draw the curtains, remove the batteries from the radio, cancel the papers and mislay the wrist-watch, the past four days have marked a particularly brutal return to normality.

First, on Friday, John Major launched, through an article in the *Daily Telegraph*, a new campaign to promote family values. Under the headline "Trust my instincts", he trumpeted "the fundamental importance of the family ... Both the family and our nation are central to the security of the individual."

It was back to Back to Basics – can that deathless moment in our political history already be three years past? – and of course the man whose instincts were being asked to trust was the only beguiling of that campaign, too. Sure enough, on Sunday the house of cards came tumbling down: a trainee tax accountant called Paul Stone revealed in the *News of the World* the intimate details of an affair that he claimed to have had with Tory MP for Harlow Jerry Hayes over a period of 16 months, for which the newspaper paid him £75,000.

Max Clifford, the famous publicist, who is an ardent Labour supporter and was responsible for bringing Stone and the *News of the World* together, had struck again. "It's a personal vendetta" against the Tories, Clifford explained yesterday, "based on what they have done to the NHS

... When I heard about Mr Major's latest statement about the Tories being the party of the family, this made it all the more important". Thanks to Clifford and his righteous indignation, the *News of the World* was able to start the New Year with the sort of splash headline no one does better: "TORY MP 2-TIMED WIFE WITH UNDER-AGE GAY LOVER."

The story, for those only now emerging from their rocks, was as follows: cherubic, curly-haired Jerry Hayes, happily married family man with two, count 'em, children, Lawrence and Francesca and loyal wife Alison who works tirelessly for him in his constituency, has been harbouring a guilty secret. Four years ago he became involved with a gay Young Conservative, Paul Stone.

According to Stone, Hayes picked him up at a meeting of the Stonewall Gay Rights pressure group during the 1991 Tory conference in Blackpool, and that same evening, in the paper's words, "Hayes then committed a lewd act which was in breach of the law at the time" – presumably because Stone was 18, and the age of consent for homosexual acts was 21. (It has since been reduced to 18, with Hayes's active support.)

Thereupon, the story continues, the two became lovers, Hayes bringing Stone down from his home in Peterborough to London regularly, putting him up in a West End club (where Stone says they spent nights together) and

putting him to work as his (unpaid) researcher in the House of Commons.

In between meetings, Hayes wrote to his new friend, "I love you," went one letter printed in the *News of the World*. "I am really trying very hard to forget you but I just can't. I miss your daft voice, your voice, your laughter melting into your eyes..." "I love you with every fibre of my being," gushed another. "Honestly I wish I didn't but I can't help myself..."

Confronted with evidence as unequivocal as this, Hayes told the paper that he and Stone had been close friends – "We had some special and magic moments together" – but denied there had ever been a sexual element.

"It was a lovely relationship, an intimate relationship," he said, "but that's all it ever could be." Declaring that he was in touch with his solicitor, Hayes then whisked wife and kids off to an unknown destination. "The news [of the affair] will come as a body blow to Premier John Major who this week relaunched his moral crusade in time for the election," the paper predicted.

And so it came to pass: most of yesterday's papers decided that Hayes's "gay scandal" was the stuff of front page splashes. The *Times* reckoned, "Tory election campaign launch marred by claims of gay sex" and reported that senior figures in the Conservative Party were urging Hayes to step down at

the next election; on the contrary, declared the *Daily Mail*, they are urging him to tough it out. The *Telegraph*, which had so recklessly invoked the Prime Minister's instincts on Friday, wanly echoed *The Times* – "Tories hit by claims over MP and boy" – but editorially raged, "The allegations ... have no bearing on the Government or its policies."

It must be admitted that there is something in this view. After all, Jerry Hayes is not in the Government; he's not even close. For the *Telegraph* he is "unimportant ... dragged from the darkest corners of the back benches." One has to ask why Jerry Hayes's gay fling/platonic friendship should be thought to have any bearing on anything besides the emotions of those two people and, arguably, of those close to them.

The *News of the World* did its best to find something serious about the case which would help to justify running it so big, pointing out in particular that Stone had been under age at the time. The *Sun*, the *News of the World's* News International stablemate, added yesterday that, though vice-chairman of the House of Commons's Aids committee, Hayes "never wore a condom" when making love to Stone. But everyone knows that these sort of details are just icing on the cake. Without them the story would be almost as juicy.

But why? What is it in this story that makes editors vote with almost complete unanimity that Hayes and Stone is the biggest story on even a slow, hungover, post-holiday news day? Part of the reason is to be found in the Government's terminal, fissiparous condition, shorn of its majority, in the final stages of disintegration, postponing from week to week the dreadful event and, as a result, giving the newspapers the perfect cliffhanger.

Hayes and his local difficulty do not affect the mathematics of voting in the Commons: as one senior Tory conceded, removing the whip from Hayes was hardly an option. But he

plays his small, pathetic part in the last act.

But the fundamental reason is that the media's duty to feed their consumers' prurient appetites, a task formerly masked under several layers of bluster and pretence, has become naked, unashamed and (for competitive reasons) urgent.

Thirty and more years ago, you needed a whiff of threat to national security or some such – the sharing of a mistress with Russian defence attaché or worse – to give the thing a veneer of public interest sufficient to justify publication.

That well ran dry, never having been very plentiful. The next and more reliable gambit was the bourgeois hypocrisy card. This has served tolerably up until recent times. Sad, slightly preposterous figures such as Cecil Parkinson, Tim Yeo and David Mellor, at least part of their political success based on appeals to the priggishness of their constituents, were caught with pants down and trundled their unhappy families across the nation's front pages in vain attempts to make amends.

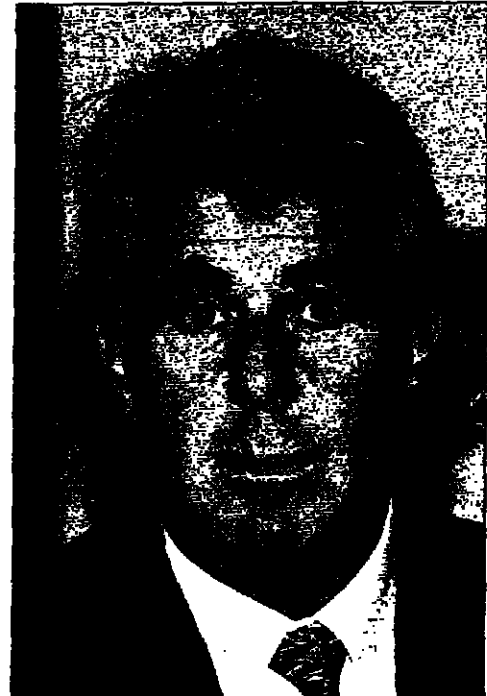
It was a disgusting spectacle, this token tabloid spasm of self-righteousness, because so transparently phoney, asserting shock and horror while communicating malicious enjoyment, condemning hypocrisy while manifesting it quite as blatantly as the people exposed. It was, however, the way we do things here, however grotesque in the eyes of the people of just about any other country one can think of.

With this affair, however, the treatment of the extramarital affairs of prominent people in British newspapers has reached a new low – or, if you prefer to open 1997 with a burst of positivity, a new level of honesty.

Jerry Hayes is not vulnerable to the charge of hypocrisy. Since wrestling Harlow from Labour in 1983, he has led a colourful parliamentary career, but as *Roth's Parliamentary Profiles* puts it,



The cast in a dubious political entertainment: the Hayes family (top), Paul Stone (left) and Max Clifford, who claims his role is a 'personal vendetta' against the Tories



he "has never taken himself seriously, and therefore has not been taken seriously by others". Speaker Betty Boothroyd's remark that "he would look very pretty as a French maid; I wish I had his curls," is about as fulsome as praise of his parliamentary performance gets.

His peculiarity among the young Thatcherite intakes of the early- and mid-Eighties is that he has been consistently dripping wet: opposing capital punishment, fighting denial and eye charges, standing up for Aids patients and championing the lowering of the age of consent for homosexuals. But such bold stands, and even his refusal to bow to Thatcher's dislike in the matter of his beard and yellow ties, would hardly have brought him fame.

But fame of a sort is what he has achieved by turning himself into an all-purpose television clown. When Andrew Neil described him as "a political buffoon" it was a well-chosen

compliment: as political buffoons go, Hayes is one of the best, the most available, the most versatile, the most untrammelled by odd notions such as dignity. On programmes such as the James Whale show he allowed himself to be fastened in the stocks and pelted with custard pies, and to be whipped while dressed in fetish garb.

Why did he join the Tory party, he was asked once. "For the women," he replied, "it was pure lust." He appeared in a show at a Butlin's adult weekend in Scotland. "All my jokes were clean," he claimed afterwards. "I started by telling them, 'I am a Tory MP and I am here to set a high moral tone.'"

When the heavy metal group Iron Maiden were having trouble getting permission to play in Beirut, Hayes threw his weight behind them (one member was a constituent) and allowed his buffoonery to infest his politics. "I have advised [the Foreign Office] the group is not a bad influence," he said solemnly. "In fact they are very

good: I have all their albums." Hayes, in other words, is a politician of negligible importance who has supported the gay cause for years (without ever declaring himself to be gay), and is about as far from government as a Tory MP can be. His alleged affair is therefore of interest for only two reasons: as title-tattle of the TV famous; and as another death rattle in the throat of this administration.

It's a way to yoke John Major's intoning of the sacred word "family" with a photograph of a professional Tory family in gruesome media trouble. It's political rhetoric and argument reduced to monosyllables and sign language. It reveals Max Clifford as the Mephistophelean master of the political agenda.

Marx wrote of history repeating itself, once as tragedy, the second time as farce. Today this is no longer true: when it's family values and back-to-basics that are at issue, it's first time as farce, second time as end-of-the-pier vaudeville.

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## Should auld grievances be forgot ...

This year my family and I spent hogmanay with my Scottish cousin in Blairgowrie, and I was reminded – if I needed reminding – that Scotland is indeed a different place. They have hogmanay up there, for a start. The younger members of the household all went off to Edinburgh for New Year's Eve, where they joined what was billed as the biggest New Year's Eve party of them all, and we older members did a said amount of first-footing after we had watched Rikki Fulton.

Rikki Fulton? I seldom encounter an Englishman who has heard of this Scottish comedian, but for years he has been presenting a hogmanay programme on Scottish TV called *Scotch and Why*, which, whenever I have seen it, has been better than anything on offer on Sassenach TV. I still remember the item in which he played an undertaker who was discussing with a recently bereaved widow the form that her late husband's funeral should take. "Actually," she confided to him, "his great ambition was always to be buried at sea."

"I have the very thing for you here, then," said Fulton, pulling out a large coffin with an outboard motor fixed to the back. A wonderful gag. It is sometimes said that the Scots joke more about death than we do, which may be why I can't readily imagine that joke being done down South.

Fulton's programme was muted this year, being a selection of clips from the past. The weather was muted too, being milder than in England.

"The terrible weather conditions continue," said the TV news, "with Kent being the worst affected county ..."

"What they mean by that," said cousin Laurence, "is that London is having a bad time of it. Odd how bad weather hits the headlines if it hits London, but not much otherwise. We get weather like this most of the time, but I don't recall it being on the news much. The *E.coli* bacteria deaths in Scotland were being reported here for a week before they got into the London news."



Miles Kingston

is right. Almost all national news is seen from a London angle. I remember when I first moved to Wiltshire from London in 1987 it was just before the big hurricane hit the Home Counties, so that I escaped the worst of it – it was bad in London and not too bad elsewhere. When I next met my London friends they could talk of little else, and whenever I said that it was only a London-centred phenomenon, they ignored me. In this day it is still talked about as the Great Hurricane of 1987, but I can

tell you that if it had happened in the North or Wales or Scotland it would be forgotten by now.

"The apertures of British post boxes may have to be changed to fit in with European standards," said another bit of news over the New Year, which goes to show how short of news they get over the New Year. Laurence snorted.

"Bloody Brussels. The amount of stupid regulations. Take frost cocks, for instance."

I did not know what frost cocks were, not being a farmer like Laurence. They are, apparently, little devices fixed to the pipes feeding water to cattle troughs, which drain off the excess water into the ground so that the pipe does not freeze.

"Unfortunately Brussels has got the idea that frost cocks are a possible source of infection, so they have outlawed them. Result: they are like gold dust. The only place you can get them now is America. You could make a fortune bringing back a load of frost cocks from the USA. Bloody Brussels."

"It's not just Brussels," I

said. "The British Government is just as bad. Take those post boxes, for instance. I remember when I was in Edinburgh last summer there was a local news item in the *Evening News* about the East Lothian town of Haddington. Apparently Haddington had received a gift from the French town it was twinned with in the form of a French post box which it invited Haddington to adopt and use. But it turned out that the aperture of the French box did not correspond to British requirements, so it was put up in Haddington Post Office in a glass case for people to come and look at but not use. I think Brussels and Westminster are as bad as each other."

Laurence thought about this and realised that if he commented, he was in danger of being nice about one or the other. So he changed the subject.

"Take this BSE nonsense ..." he said. I haven't room to summarise his dissertation, but I'm afraid neither Brussels nor Westminster came out of it very well.



## Good old Hume, but what exactly does he stand for?



Jack O'Sullivan

Breaking the Northern Ireland paralysis requires a new type of nationalist leader to abandon explicitly all hope of a united Ireland

John Hume is the great postwar leader of Irish nationalism. In an age of anger and frustration, he has consistently and effectively opposed violence to achieve nationalist ends. Not only has he forsaken killing, he has also steered clear of the violent language and crude populism that is the currency of political debate in Northern Ireland. Yesterday, as he ruled out an electoral pact between the SDLP and Sinn Féin unless there is an IRA cease-fire, Mr Hume once more established his credentials as a leader who sets strict limits on the methods nationalism may employ.

But try to nail down Mr Hume on where else he stands and you're in trouble. You will be swept up in a whirlwind of dizzying, elliptical language that leaves you little the wiser about his ultimate political aims, beyond talking, reaching agreement and making change with consent. He may be clear on violence, but he is steadfastly unclear about what limits he draws on the ambitions of nationalism. A united Ireland is certainly not ruled out.

Such a vague style is understandable for one seeking to persuade the paramilitaries to lay down their arms. It's best not to dwell too explicitly on how little can be achieved through peaceful politics, for fear that the men of violence will be scared off.

But for a man who seeks to win over Unionism, the vagueness of Mr Hume's agenda is disastrous. The lack of detail in what he eventually seeks creates a vacuum which is rapidly filled from the fertile imaginings of Unionist paranoia. The fact that Mr Hume is even considering an electoral pact with Sinn Féin only fuels such fears.

The chief Unionist fear is cultural obliteration. And, so far, no one has ruled that out in the long run. The Protestants in Northern Ireland have merely been guaranteed the right to stay within the UK as long as the majority in Northern Ireland desires to do so. In short, the Unionists have been promised jam only for today. Meanwhile, those who want a united Ireland have been offered jam some time in the future, when demographics put Unionists in the minority. This apparently democratic formula, part of every Anglo-Irish agreement since Sunningdale in 1973, has failed to produce a meaningful dialogue. Unionists fight a rearguard as they await their demise and Catholics breed for a revolution.

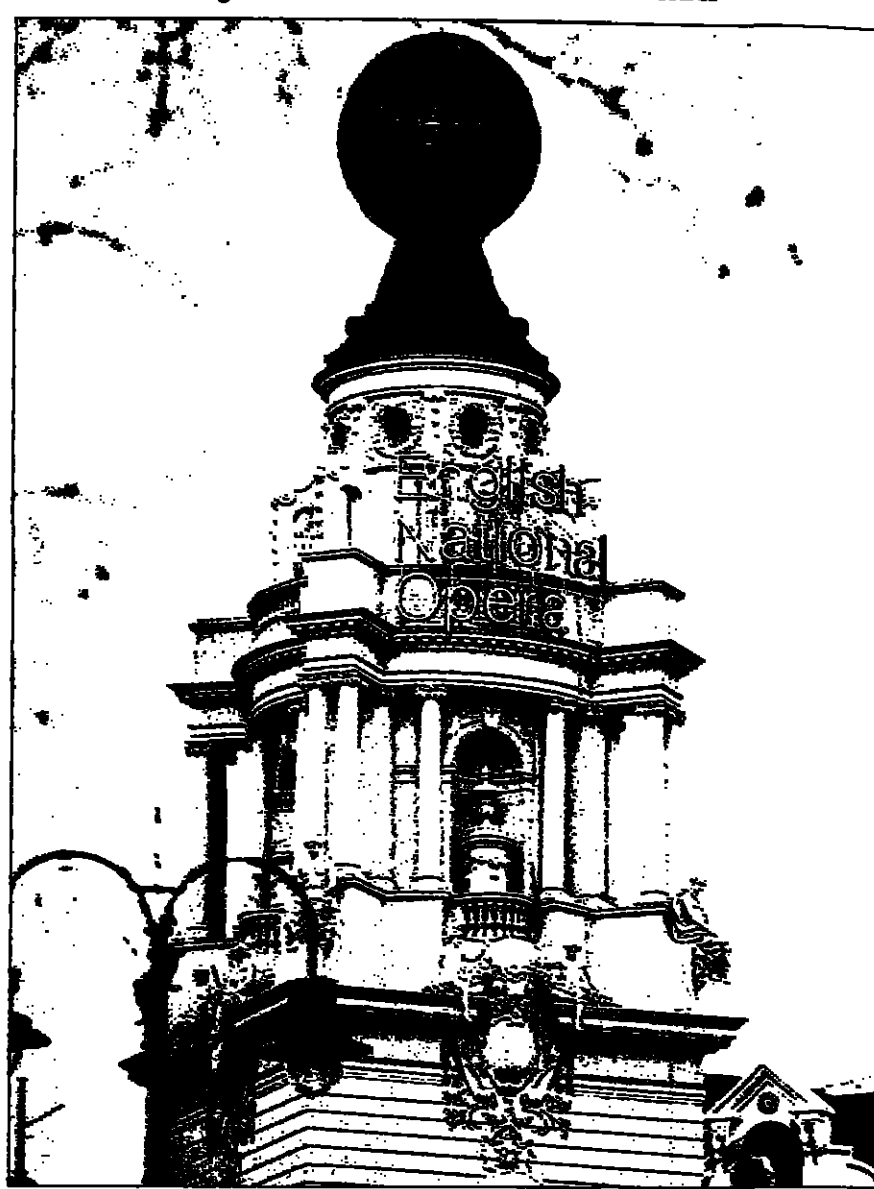
Breaking this paralysis requires a new type of nationalist leader in Northern Ireland, who will explicitly abandon not just violence but all hope of a united Ireland. The next great leader of Irish nationalism must fashion an ideology which meets the need for Ulster Catholics to be Irish, enjoy justice and play an equal role in the running of Northern Ireland, without destroying the Union.

governments—with their emphasis on consent—have all tended to put off the possibility of a united Ireland in the short term. Everyone with any political nous—even in the IRA—knows that today's real task is to make Northern Ireland function properly for everyone.

So far, however, no one on the nationalist side has had the leadership abilities to abandon explicitly long-term territorial ambitions. Some perhaps are afraid, as Charles Haughey, the former Irish prime minister was, of leaving the IRA alone to bear the torch of unity. At the moment—particularly after the summer marches in Drumcree, when the RUC gave in to loyalist threats of violence—few Catholics have the confidence in a Northern Ireland state to abandon the possibility of a more benign government run from Dublin. But a genuine settlement between Unionism and nationalism requires a nationalist leap of imagination. It will come sooner or later. Listen to the speeches of Mary Robinson, the Irish President, who travels the world speaking to the diaspora, as she defines an Irish identity that extends beyond the boundaries of the Irish Sea. Like her, the post-millennial Irish nationalist will be explicitly working to establish a way of living, not a new state.

## Edifice complex at the Coliseum

by Marianne Macdonald



Does the Coliseum really need to move—or, dare one ask, is it motivated by Lottery fever, and envy of the Royal Opera House?

And so the English National Opera wants to abandon its beautiful turn-of-the-century central London theatre, where it has produced so many stunning productions, for a purpose-built building in the kind of place most people try hard to avoid: King's Cross, for example, or the Hungerford car park.

The gut reaction of the ENO board was to stay put. Indeed, only five years ago they were begging to do so, with the help of £12.8m of taxpayers' money. Having got their cash, they have now, after a year-long feasibility study, changed their minds. But this merely highlights the risk of throwing money at consultants if the exercise serves to cloud basic common sense—which says that if you happen to own one of London's best theatrical sites, surrounded by a plethora of bars and restaurants, tubes and other amenities, why on earth move to one of the capital's wastelands?

Yesterday, at an uneasy press conference, the movers and shakers of the company attempted to explain why it was impossible to stay at the Coliseum. Statistics were cited, technical problems rehearsed. The sewage that overflowed in heavy rain and froze in frost; the problems of moving scenery in the narrow surrounding streets; Westminster council's new, hard-line attitude to moving scenery at night; the poor facilities backstage; the collapsing wiring, heating and décor; the lack of storage space and rehearsal rooms.

This is all true. But it is also true that ENO has operated successfully from the Coliseum for almost 30 years, putting on acclaimed productions such as Nicholas Hytner's *Xerxes* and David Alden's *Tristan and Isolde*, while offering convenience and accessibility for its loyal audience, more than 60 per cent of whom come from outside London.

This is one of the key points. While keen opera-goers will no doubt be prepared to make the foray past the streetwalkers and winos of King's Cross, if ENO does insist on moving there, it will hardly be the enticing prospect of going to central London, knowing that there is a huge choice of attractive, lively places to meet, eat and drink before or afterwards.

What the company is banking on is that audiences will not decline, in the prime new building in their socially-challenged

location: that market research shows that people care more about acoustics and music than atmosphere and amenities. The trouble is, the board of the ENO is almost certainly wrong. And it may be dangerously wrong about something else too: that the public will back their scheme for applying for £60m to £90m of lottery money to build them a splendid new auditorium—or possibly two—when they have a perfectly good theatre already, let alone give cash to match the 25 per cent funding they will need.

This is certainly David Mellor's view. Mellor, widely acknowledged to have been the most informed and able heritage secretary of recent years, could not contain his fury about the plan yesterday. He said in a statement that it was "an outrageous breach of faith for the ENO to abandon the Coliseum only five years after going down on bended knee to the Government to be asked to be given the freehold of the theatre".

The Coliseum was a terrific theatre with great acoustics

of storage for sets, currently held overnight in Kent, and the absence of rehearsal rooms.

This is not an easy thing to do, but it is not impossible, if Westminster City Council is willing to help, along with the heritage agencies (the 1904 Coliseum is Grade II\*). One option, which would immediately help, would be to rationalise the company's split sites.

A major ENO complaint is that their transport staff are forced to drive up and down from Kent every day to store the sets. The chorus has to rehearse in Hampstead, the orchestra in Hackney, and the singers down the road from the theatre in the Friends' Meeting House. Perhaps it would have been better to spend the £1.38m lavished on the 300-page feasibility study on an all-out blitz to find a multi-purpose space somewhere near to the Leicester Square area.

There are other options, too. One of the main constraints of the Coliseum is that the stage is 14ft below street level, which requires that scenery has to be wheeled up a 28-degree ramp twice daily. What about putting lottery money into a lift, to ease the pressure on backstage staff?

Nor does it appear wholly impossible to expand the theatre's site—which, at an estimated cost of £100m, is likely to prove cheaper than building a new theatre in the wasteland of King's Cross or Bankside.

It emerged yesterday that the company had held discussions with Westminster City Council about expanding sideways into Mays Court, the pedestrianised road that runs along the left side of the Coliseum as you face the entrance. This would give the theatre perhaps 100ft more space, enough to solve the most critical problems of rehearsal space and set storage.

Another option, which the company has not fully explored, would be to buy the adjacent flats belonging to the Peabody Trust in order to expand backstage; and incidentally end the problem of late night operations inconveniencing tenants.

It might also solve another previously unforeseen problem: the "edifice complex" induced by the lavish funds of the lottery. Could the ENO's determination to acquire a state-of-the-art new theatre be anything to do with the upgrading of the Royal Opera House along the road? Or, as one observer suggested yesterday, a case of having eyes bigger than their brains?

## How Rome dealt with a turbulent priest

Does the excommunication of a radical theologian signal a return to Inquisition? By Paul Valley

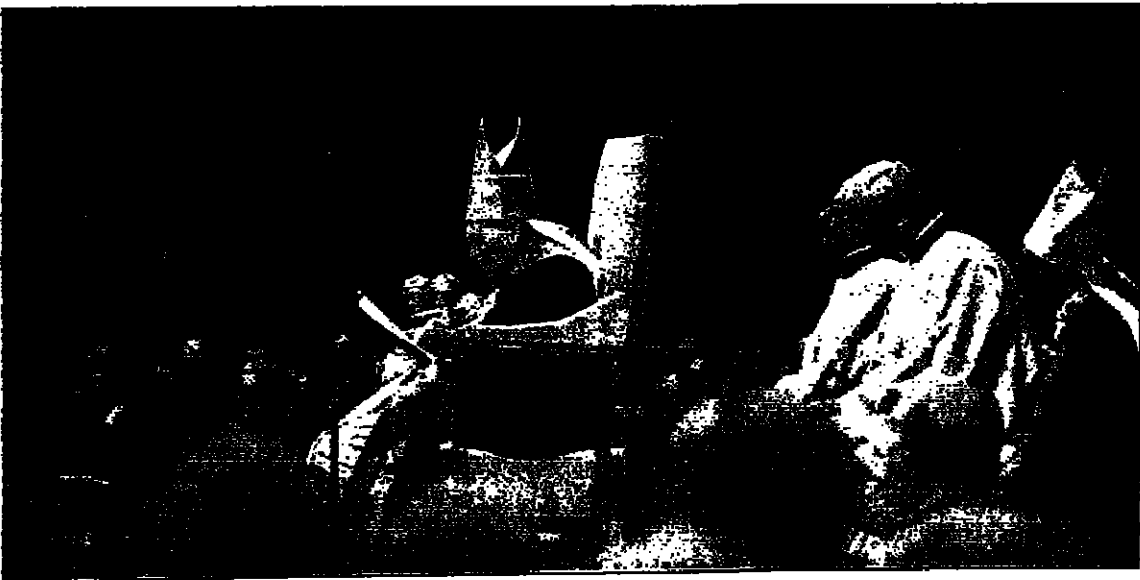
They did not bother with the bell, book and candle at the Vatican at the weekend when the Congregation for the Doctrine of the Faith—formerly known as the Holy Office of the Inquisition—pronounced a sentence of excommunication on a priest from Sri Lanka in what was the harshest penalty in living memory applied against a Catholic theologian.

Such were the appurtenances of excommunication in former times. To mark the ostracism of a contumacious and obdurate offender, a ceremony was performed. The officiating cleric closed the book that symbolises the book of life. Then the candle which represents the soul was quenched by hurling it to the ground. Finally the bell was tolled, as for one who has died.

Last weekend a Vatican official merely pronounced that Father Tissa Balasuriya, a member of the Oblates of Mary Immaculate, had automatically excommunicated himself, *latae sententiae*, by a series of grave errors, including denying the Catholic dogma of original sin, by which the Church holds that each individual is born marked with the stain of the sin of Adam and Eve. He had, it was said, also denied that Mary had, it was said, conceived, was a virgin, that her body was assumed into heaven after death, and—significantly—questioned that the Pope was infallible.

If true, it was heavy-duty stuff. Even so, it was an extreme penalty to be inflicted on a 72-year-old priest whose devoutness is not in question. It was harsh even for the present Pope. In the past, he has thought it sufficient to declare the German theologian Hans Küng, the Brazilian Leonardo Boff, the American Charles Curran and others to be no longer "Catholic" theologians.

Fr Balasuriya's difficulties arose from his position as a theologian in



Sri Lanka, where only 8 per cent of the population are Christians. As part of an inter-faith dialogue, he undertook to "rethink the key dogmas of the Christian tradition" to make them understandable to the majority. The Hindus and Buddhists have particular difficulty with original sin and Christianity's idea of humanity born alienated from its creator.

There was, of course, more to it than that. Fr Balasuriya is one of Asia's leading liberation theologians. He argues that insights from secularism and Marxism can help to purify religion. He wants a fixed retirement age for the Pope. When his local bishops distorted his views in condemning them, he issued the local equivalent of a writ for libel.

Perhaps most controversially, he has tried to reclaim Mary, the mother of Jesus, from the centuries of pious and Catholic superstition. The traditional Mary "is a Mary of

the capitalist, patriarchal, colonialist First World of Christendom," he says. Yet the Mary of the Gospels is a strong, working-class woman whose Magnificat looked to the overthrow of the powerful. The real Mary should be not a "comforter of the disturbed" but a "disturber of the comfortable".

Clearly, all this was extremely irritating to the church hierarchy, both locally and in Rome (the Pope is particularly keen on Mary). But it was not heresy. There are two types of excommunication. The usual kind, pronounced *ferendae sententiae*, comes after a formal trial. But in very rare instances, *latae sententiae*, it is triggered automatically.

Offences that provoke the latter include heresy, schism, apostasy, laying violent hands on the Pope and procuring abortion. For priests, it also comes for "scattering the sacred species" (profanation of the Eucharistic host), breaking the seal of the confessional and "giving absolution to an

accomplice in the sin against the sixth commandment"—code for the priest's own mistress. Bishops can incur it by ordaining other bishops without the permission of Rome—which is what finished off the last cleric to be excommunicated, Archbishop Marcel Lefebvre, in 1988, after causing a schism in the church in France in revolt against the reforms of the Second Vatican Council.

Excommunication, which forbids individuals to attend church services or to receive the sacraments, was first recorded in AD325 at the Council of Nicea. But it was a common punishment in medieval times. After the Reformation, the Protestants took it up: in the Book of Common Prayer, the 33rd Article of Religion is headed: "Of Excommunicate Persons, how they are to be avoided." But it has faded from use this century.

The last excommunication in the UK is thought to have been in 1907, of a Jesuit priest, George Tyrrell, who

was denied a Catholic funeral after publicly criticising an encyclical by the ultra-conservative Pope Pius X. Elsewhere, ironically enough, it has been used, albeit rarely, chiefly against extreme traditionalists, such as the American Jesuit Leonard Feeney, who in 1953 persisted in preaching *extra ecclesiam nulla salus*—that only Catholics could be saved.

The trend in the Church has been in the opposite direction. Vatican II declared that the "Catholic Church rejects nothing which is true and holy in these religions" which "often reflect a ray of that Truth which enlightens all men". Fr Balasuriya, it seems, has taken this too far.

Or has he? When he was summoned before the Church's magistratum, he asked for a letter to be passed to the Pope answering in detail the 58 instances where he claimed his views had been distorted by the official inquirers. The reply came in a single word. His response was "unsatisfactory" because he had declined to sign a specially-devised Profession of Faith drawn up by Rome.

The priest offered to sign the earlier Credo drawn up by Pope Paul VI. Rome's was too Eurocentric in its Christology and unbalanced in its emphasis on papal infallibility and the impossibility of women ever being ordained. It was riddled with "serious historical, theological and scriptural problems", according to one Indian Jesuit, Samuel Rayan, who has seen it. No self-respecting theologian would sign. In it, he said, one heard "not the voice of the Good Shepherd" but "the voice of the Inquisition of shameful memory".

Tissa Balasuriya may simply be the victim of an ambitious bishop and an ecclesiastical power struggle within his native land. Or his fate may be a sign of the waxing authoritarianism of an ageing ailing Pope. The bell, book and candle may yet re-emerge before John Paul II dies.

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# business & city

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BUSINESS & CITY EDITOR: JEREMY WARNER

## Housing boom boosts Woolwich payout

Jill Treanor  
Banking Correspondent

The prospect of a boom in the housing market is driving up City estimates of the value of bonuses to be paid by the Woolwich Building Society when it converts to a bank, and is expected to give a similar boost to the value of the Halifax and other converting societies.

This emerged yesterday as Woolwich promised its 2,571 members share payouts worth an average of £1,233 when it floats on the stock market on 7 July.

Woolwich has rejected the controversial flat-rate payment chosen by Alliance & Leicester, and will instead link bonuses to the size of account and the length of time it has been held. Industry experts said the val-

uation has gone up because the recovery in the housing market has fuelled share price rises at Abbey National and Lloyds TSB. These are among the benchmark shares used to help set the stock market value of the converting societies. There are also fewer qualifying members than expected, raising the average bonus.

The rise in the benchmark shares also brings good news for the 9 million investors at the Halifax Building Society, who should get precise details of their payouts later this week.

Analysts estimate the Halifax's flotation is now worth at least £12bn, up from initial estimates of £10bn, so members could get shares averaging at least £1,400 when it floats in the summer. Northern Rock's flota-

### How the shares will be distributed among members

Aggregate Balance £	No of shares	Aggregate Balance £	No of shares	Aggregate Balance £	No of shares	Aggregate Balance £	No of shares
1,000-1,099.99	490	1,600-1,699.99	514	3,000	570	6,500	710
1,100-1,199.99	494	1,700-1,799.99	518	3,500	590	7,000	730
1,200-1,299.99	498	1,800-1,899.99	522	4,000	610	7,500	750
1,300-1,399.99	502	1,900-1,999.99	526	4,500	630	8,000	770
1,400-1,499.99	506	2,000-2,099.99	530	5,000	650	8,500	790
1,500-1,599.99	510	2,500	550	5,500	670	9,000	810
				6,000	690	9,500	830
						10,000	850
						50,000+	2,450

tion is now expected to top £1bn. The Woolwich will hold a vote on its flotation on 11 February although most members are expected to vote before then by post.

John Stewart, chief executive, and his wife will receive 1,474 free shares for membership rights held as depositors or as mortgage borrowers with the society.

But he and his fellow directors are foregoing share payouts

to be made to employees and will not have any share incentive schemes until 1998.

"By that time we'll have a settled share price and it will be fair to do that. This way there's complete transparency and no ques-

tion of any of the directors benefiting from the flotation," he said.

The total cost of the flotation is £49m, of which £6.5m will eventually go in fees to Schroders, the investment bank advising Wool-

wich. Schroders and BZW, which is acting as stockbroker, estimate the Woolwich would have had a market capitalisation of between £2.96bn and £3.38bn, and a mid-value of £3.17bn, had the conversion happened on 20 December 1996.

This implies a price per share of between 175 and 200p which gives a mid-price of 187.5 pence.

Each of the 2.57 million people who qualify as members will receive a basic distribution of 450 free shares, which will be worth £844 at the mid-price of 187.5p per share.

The Woolwich said 1.1m of these members, who are investors of at least two years' standing, will get an additional distribution of up to 2,000 more shares, depending on the balances in their accounts on key dates.

It expects 60,000 of its savers to be entitled to the maximum distribution of 2,450 shares. If those savers also hold mortgages with the society they will receive 2,900 free shares.

Members who are not eligible to vote, because they had less than £100 in their accounts on 31 December 1996, or because they are under 18, will receive a cash bonus of 10 per cent of the value of their investment on 31 December 1996.

The society had cast some doubts on the publication of its transfer document because of a new Building Societies Bill which means societies that become banks will lose a five-year protection against takeovers if they make bids for other financial institutions.

Continued, page 17

## Spending spree raises rate fears

Diane Coyle  
Economics Editor

Fresh evidence yesterday on the scale of the seasonal spending spree will put the Chancellor of the Exchequer under intense pressure to increase the cost of borrowing. The Governor of the Bank of England is likely to urge Kenneth Clarke to act at next week's monthly meeting.

Figures published by the Bank showed that the amount of cash in circulation rose more than expected last month. The most important component of the narrow money measure, M0, it pointed to a strong upward trend in spending.

Separate reports put flesh on the bones of the official statistics. Barclaycard said Christmas Eve spending on plastic by its customers set a record of £1,700 a second. The bank's cash machines dispensed £378m in the week before Christmas, 12 per cent more than the same week in the previous year.

John Lewis, the department store and supermarket group, described sales in the three days before Christmas and the first day of its clearance sale as "outstandingly strong". This followed turnover at a record £60m in its department stores in the week before Christmas. Share prices rose yesterday, driven by a further surge on Wall Street where analysts returned to work optimistic about US economic prospects. The FTSE 100 index ended 17 points higher at 4,106.5, while the Dow Jones industrial average climbed above 6,600 in morning trading.

Yet the overwhelming majority of City analysts believe that UK base rates will rise by a quarter point to 6.25 per cent either after next week's mone-

tary meeting or at the following one in early February. The betting in the financial futures market is that rates will be a full point above their present level by the end of June.

"The decision is clear. It is a question of when rather than if it is taken," said Kevin Gardiner at investment bank Morgan Stanley.

Even those economists who reckon the economy is not as overheated as buoyant consumer spending makes it seem agree that the move will take place. "Kenneth Clarke will find himself under heavy pressure to raise base rates in either January or February," said Jonathan Loyne at HSBC Markets.

Figures for the number of people claiming unemployment benefit in December, due the same day as the next meeting between Mr Clarke and Eddie George, could provide political cover for a base rate rise if they fall sharply for the second month running. Waiting for the preliminary estimate of GDP growth in the final quarter, due at the end of January, would be the excuse for delay.

Yesterday's statistics showed a 0.9 per cent increase in M0 last month, with the annual growth rate slowing to 7.1 per cent. Notes and coin in circulation rose 0.7 per cent during the month, with their annual growth unchanged at 7.4 per cent. Both have remained above 7 per cent since June.

The narrow money measure is not an accurate guide to month-to-month changes in spending but gives a reasonable guide to retail sales trends.

The figures took the pound briefly above DM2.66 but it closed nearly unchanged at DM2.6369.

### Team line-up in the takeover battle for a slice of Premiership action



Key players (clockwise from top left): Brian Clough; Irving Scholar; Marjorie Scardino; illustrious supporter Ken Clarke; Phil Soar; Lawrie Lewis; Nigel Clough; star player Dean Saunders; Nigel Wray; former and present managers Frank Clark and Stuart Pearce; and Sandy Anderson. Photomontage: Jonathan Anstee

## Nottingham Forest bidder switches camps

Nigel Cope

The increasingly complex battle for control of Nottingham Forest took a dramatic twist last night when one of the bidders switched camps just hours ahead of crunch vote on the club's ownership.

As shareholders travelled to Forest's City Ground to vote on a £13m offer by Portbrook Leasing chief Sandy Anderson, Blenheim Exhibitions founder Lawrie Lewis threw his weight behind the Anderson faction. Mr Lewis had previously pulled out of a rival group

bidding for Forest which included former Tottenham chairman Irving Scholar and local businessman Phil Soar. Yesterday Mr Lewis offered to inject £3m in cash into Forest in return for a minority shareholding in the Anderson group.

Mr Anderson needed 75 per cent of last night's vote to secure victory, though a club spokesman said he was unlikely to succeed. The sudden switch was just one of a series of fresh moves yesterday as rival groups jockeyed for position in the bid battle for the beleaguered Premiership club.

The Irving Scholar-Phil Soar camp, which has already lined up Burford Holdings chairman Nigel Wray, attended the meeting to distribute leaflets to Forest shareholders.

Marjorie Scardino, the new Pearson chief executive, yesterday denied any formal involvement with the Wray bid. But she admitted that her husband, Albert, was acting as a "scout" to attract US and Canadian investors to the consortium.

Though the new Pearson chief clearly has more than a passing interest in the Forest situation,

she stressed that the involvement of the Scardino household was separate from her role at Pearson. Mr Scardino was in Nottingham last night where he was due to vote as a proxy and was talking bullishly of a Forest deal. "I have no formal involvement but I am very interested and may end up investing in one of more of the consortium."

Meanwhile Grant Bovey, the video entrepreneur, resuscitated his bid yesterday after receiving backing from the Dixon Corporation, a European construction group owned by an Andorran-based company. If

the Anderson offer fails to win shareholder approval, Mr Bovey will offer to lend Forest the cash to complete the purchase of Nigel Clough from Manchester City. He also said he would increase his offer to a £15m cash injection on completion and a further £5m to shareholders. A further £10m would be available in the close season, he said.

If the Anderson bid does succeed, it is expected he will quit as a director of Stagecoach, the company which acquired Portbrook last year, to become Forest's chief executive.

## Blue Circle strikes job deal

Barrie Clement  
Labour Editor

Britain's biggest cement manufacturer has struck a groundbreaking deal which gives its 2,000 workforce a job security guarantee for up to five years.

In a notoriously volatile sector, Blue Circle has also agreed a "framework" arrangement for pay as part of an accord which was yesterday hailed as "agenda setting" by senior Labour Party politicians. It was thought to be the first such agreement in the construction sector.

The deal gives most employees inflation-plus increases for three years, but with a pay freeze next year for distribution workers.

The inflation-proofed agreement awards skilled employees, production workers and white collar staff an increase of 0.25 per cent above the Retail Price Index, giving them a rise of 2.95 per cent from 1 January this year.

Their agreement - guaranteeing that there will be no compulsory redundancies - lasts an initial three years, but can be "rolled over".

As part of a separate five year deal, distribution workers, mainly lorry drivers, have been awarded 3.5 per cent plus £200 this year and a promise that the working week will be cut by one hour in return for improved productivity. Next year, however, the Transport and General Workers' Union has agreed to a pay freeze.

Thereafter a pay review structure will take into account pay levels elsewhere among road hauliers. Modest one-off payments will be made when Blue Circle drivers are seen to earn more than the average among large companies and a traditional "consolidated" rise when they have fallen behind the going rate.

Lorry drivers' leaders have been assured that the distribution function will not be "contracted out". The drivers have agreed to improve "customer care" and to the introduction of new technology.

Ross Dunn, personnel director at Blue Circle Cement, said the increased flexibility afforded by the deals would maximise production. "We now have commitment from employees without fear," he said.

Allan Black, national officer at the GMB general union, said the accord was built on job security, which his members had been keen to prosecute, rather than increased pay.

While the cement group, which commands 50 per cent of the UK market, posted a 12 per cent increase in its interim profits to £116m, it experienced a 21 per cent drop in taxable returns to £24m from its British cement operation.

## Ofwat savages Severn Trent

Chris Godsmark  
Business Correspondent

The water watchdog, Ofwat, yesterday launched a public assault on one of the biggest privatised water companies, Severn Trent, for failing to meet its investment targets by £100m in just two years.

The tough criticism of Severn Trent's investment spending, in a published letter from the head of Ofwat's central customer service committee, comes as Ian Byatt, the industry regulator, is starting work on a comprehensive review of the companies' five-year price limits, brought forward following

widespread concern that they were too generous.

Mr Byatt is also expected this month to name individual companies that have failed to invest the sums laid out in the controversial existing price formula, which allows bills to rise by more than inflation to fund huge capital spending programmes.

He is likely to ask some companies not to raise bills for the financial year starting in April by as much as the price regime would allow, though Ofwat has no power to force them to comply.

The letter, from Clive Wilkinson, who chairs the Ofwat customer committee, to Brian

Duckworth, managing director of Severn Trent's main water business, claimed the company had spent £300m on investment in 1995, while the price cap allowed for spending of more than £400m. Though investment last year rose to £410m, this included outside grants, which meant Severn Trent had underspent by around £100m in the first two years of the five-year price formula.

Mr Wilkinson also savaged the company's decision to boost discretionary investment by a total of £244m. He said: "What you were doing is replacing planned expenditure, which you

are underspending, with so-called additional expenditure. The effect will be that Severn Trent will not spend a penny of additional expenditure over the five years."

He described as "outrageous" the idea that the company would ask customers to pay a rate of return on the £244m in the next price review currently under way. The letter said any reductions in investment should be shared with customers as well as shareholders. Though Mr Byatt has refused to reveal which firms could be asked to limit price rises, the letter raised the prospect Severn Trent could be on the list.

## Airbus production to double as it meets orders for 326 planes

Michael Harrison

Airbus Industrie, the European aircraft manufacturer, yesterday announced plans to almost double production over the next two years following a bumper year for orders in 1996. Deliveries will rise from 126 last year to 183 this year and some 220 next as Airbus rides the crest of a boom in demand for new jets.

Boeing of the US, the world's largest planemaker, has also announced plans to more than double output from its Seattle base and has been taking on ex-

tra staff at a rate of 1,000 a month to cope with increased production levels.

The Airbus announcement is a boost for British Aerospace, which owns a 20 per cent stake in the four-nation consortium and makes wings for the Airbus range at its Chester plant in North Wales. It came as Airbus announced that it won total firm orders last year for 326 aircraft worth £23.6bn. Boeing is expected to announce shortly that its orders last year reached about 650, worth \$48bn - the second highest on record.

Meanwhile Airbus said its

four partners were likely to sign a memorandum of understanding this week paving the way for its conversion into a full commercial limited company.

At present, Airbus is structured as a Groupement d'Intérêt Economique, in which the four partners charge Airbus for assembly work and account separately for profit and loss, leaving Airbus as little more than a design and sales operation.

The binding MOU will commit the partners to placing their Airbus manufacturing operations into the new company.

## 1996 car sales break the 2 million barrier

New car sales last year rose by more than 4 per cent, breaking through the 2 million barrier for the first time since 1990 after a stronger-than-expected increase during December, the Society of Motor Manufacturers and Traders will reveal today, writes Chris Godsmark.

The figures, a closely monitored barometer for the economy as a whole, will show total sales for 1996 of some 2,030,000, compared with the 1,945,366 cars registered in 1995. Sales in December could have risen by almost 12 per cent, to more than 80,000, following

a disappointing drop of 5.4 per cent in November. However imports are likely to have accounted for more than 60 per cent of all cars sold in 1996 compared with 54 per cent the previous year.

The figures will worry the established top three manufacturers, Ford, Vauxhall and Rover, which continued to lose market share, with imported Volkswagens and Fiats doing particularly well. Preliminary data suggests Ford's sales last year were down by more than 2 per cent to around 430,000, with a similar drop for Vauxhall.

STOCK MARKETS						
<p><b>FTSE 100</b></p> <p>4106.50 4097.40 4091.70 4085.80 4079.90 4074.00 4068.10 4062.20 4056.30 4050.40 4044.50 4038.60 4032.70 4026.80 4020.90 4015.00 4009.10 4003.20 3997.30 3991.40 3985.50 3979.60 3973.70 3967.80 3961.90 3956.00 3950.10 3944.20 3938.30 3932.40 3926.50 3920.60 3914.70 3908.80 3902.90 3897.00 3891.10 3885.20 3879.30 3873.40 3867.50 3861.60 3855.70 3849.80 3843.90 3838.00 3832.10 3826.20 3820.30 3814.40 3808.50 3802.60 3796.70 3790.80 3784.90 3779.00 3773.10 3767.20 3761.30 3755.40 3749.50 3743.60 3737.70 3731.80 3725.90 3720.00 3714.10 3708.20 3702.30 3696.40 3690.50 3684.60 3678.70 3672.80 3666.90 3661.00 3655.10 3649.20 3643.30 3637.40 3631.50 3625.60 3619.70 3613.80 3607.90 3602.00 3596.10 3590.20 3584.30 3578.40 3572.50 3566.60 3560.70 3554.80 3548.90 3543.00 3537.10 3531.20 3525.30 3519.40 3513.50 3507.60 3501.70 3495.80 3489.90 3484.00 3478.10 3472.20 3466.30 3460.40 3454.50 3448.60 3442.70 3436.80 3430.90 3425.00 3419.10 3413.20 3407.30 3401.40 3395.50 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Source: FT Information

INTEREST RATES					
Short sterling	UK medium gilt	US long bond	Money Market Rates	Bond Yields	
5.19	7.00	7.74	7.49	7.81	7.55
5.56	5.78	6.52	5.68	6.75	6.04
0.38	0.50	2.63	3.02		
3.06	3.13	5.97	5.99	6.82	6.74

CURRENCIES					
£/\$	£/DM	£/¥	Pound	Dollar	
1.6908	-2.05c	1.5499			
1.7126	+2.15c	1.5576			
2.6968	-3.05pt	2.2322			
195.611	-35.02	163.17			
95.0	-1.1	63.0			

صكتان الامل





These glowing progress reports do not change an awful truth about this industry – that though well intentioned enough, it is basically ripping people off

## Annual bonus declarations a meaningless ritual

It's that time of year again; the annual and now almost ritual declaration of terminal bonuses paid on with-profits endowment and pensions policies. General Accident kicked off the season yesterday. Over the next few weeks there will be loads of similar announcements. Each January, millions of policyholders wait to see how much they might get – were their policies to mature this year. The bulk of with-profits endowment policies were sold at the height of the 1980s housing boom and, if they have been kept going this long, still have many years to run. Using today's figures to project 15 years into the future is a pointless exercise. Nor do any of these glowing progress reports change an awful truth about this industry – that though well intentioned enough, it is basically in the business of ripping people off.

Let's be clear about this. Policies held through to maturity generally perform reasonably well. Provided you keep up the payments right through to maturity the returns are good. Those who do not, however, pay an extremely high penalty. And unfortunately, that happens to be the majority.

According to John Chapman, a consultant who used to work on these matters at the Office of Fair Trading, there is widespread manipulation of charges and surrender penalties to project or achieve high maturity payouts and as a consequence the illusion of good value. He'll soon have prepared an analysis to demonstrate this contention (watch these

pages). Commission disclosure and other reforms designed to make this a less opaque industry seem to have done nothing to correct the problem. Early surrender rates remain as high as ever. Generally such savers end up as net losers: it costs them to save.

There is an obvious riposte to this line of attack and it is this – that those who take out with-profit policies know what they are letting themselves in for. But even accepting this is true, which is debatable, there's got to be something wrong with an industry which actually requires savers to fall by the wayside to deliver reasonable value to those who struggle through to the finishing line.

With a bit of luck all these inequities should ultimately prove self-correcting. Greater transparency, together with more savvy and financially literate consumers, will force these companies to transform themselves. In the meantime, however, regulators urgently need to step in and do something. Mr Chapman's call for the development of a published rating system, forcing companies to cite surrender values at various stages of maturity, would seem a reasonable start.

### GB Railways steams towards rich pickings

If the initials GWR stood for God's Wonderful Railway, then GBR surely stands for God's Bounteous Railway. Whereas the

Great Western Railway was strictly for Victorian train buffs, however, GBR, or GB Railways, is for folk interested in making serious amounts of money.

In its newly-quoted form as an AIM stock, GB Railways, proud owner of the Anglia Railways franchise, came out of the sidings like an express train yesterday, racing to a 110 per cent premium. That much was, perhaps, to be expected following the example set by Prism Rail, another AIM vehicle, for making monkeys out of the Department of Transport.

Those who have followed Prism's dizzy rise will be familiar with the formula adopted by GB Railways for the franchises it hopes to pick up.

The directors, led by Lord Sheppard, former chairman of Grand Met, have magnanimously volunteered to fund the costs of the next bid for Thameslink themselves. If they are successful, they are in transporters' heaven with share options worth £2.63m at last night's closing price against an exercise price of just £9,000. A nice little earner if you are a director of GB Railways but a hideously expensive way of raising capital if you are an outside shareholder.

Still, perhaps we should not be too churlish. The founders of Prism and GB Railways were prepared to risk their necks when the Government could not get big players in the transport industry to take the railways off its hands for love or money. All the same, the risk factor was rather lessened by the sight

of Sir George Young on the footplate shovelling public subsidies into the furnace by the bucketload.

His former franchising director, Roger Salmon, devised a way of allowing taxpayers to share in the bonanza by enabling them to claw back a proportion of super-profits. Sir George rejected the advice on the grounds that such a move might deter bidders. With the kind of riches to be had at GB Railways and elsewhere, who was he kidding?

### Bonanzas that keep getting bigger

If privatisation was Mrs Thatcher's gift to the middle class, a way of selling £1 worth of shares for 50p, what should we make of this year's building society and insurance demutualisations, where you don't even have to put up any money in advance to get the loot?

All the signs are pointing to an even bigger bonanza than originally anticipated – a net distribution of perhaps as much as £25bn, including Norwich Union. This is considerably more than earlier estimates and enough to give a powerful kick to consumer spending. Individually these are relatively small amounts, widely spread. All the same, they are a lot bigger than the sort of gains made from privatisation and the old theory that most of the money will remain on de-

posit is looking weaker by the week, as consumer confidence rises ahead of the election.

The emerging boom in the housing market is pushing up predictions of the size of the payouts, by helping to drive up the share of banks such as the Abbey National and Lloyds TSB, which will provide the pricing benchmark for building society demutualisers. That might sound like a virtuous circle to a Tory MP in a marginal seat, but in fact there will not be as many winners in this game as there seemed at first sight.

Inflation is the most obvious downside of the spending boom these flotations helped on its way. Demutualisation has also meant a worse deal for customers. Members locked in by the lure of bonuses do not need to be wooed by competitive interest rates. Northern Rock has already put its standard mortgage rate half a percentage point above those societies which intend to remain mutual. On a £250,000 mortgage that makes a mortgage approximately £250 a year worse off, which would eat rapidly into a £1,000 bonus.

It used to be argued that rates would tumble after the payouts, as real competition set in again, but that is less likely now because of rising demand for mortgages. But let's not be churlish. There is something at least in yesterday's announcement that it will pay members according to the size of their accounts and the length of time they have had them, shaming Alliance & Leicester, which insisted on a flat rate payment to all savers.

## Début by GB Rail nets founders £2m paper profit

Patrick Toohar

Six founding shareholders in GB Railways, including former Grand Metropolitan chairman Lord Sheppard, made an instant paper profit of over £2.2m yesterday when shares in the rail franchise operator more than doubled on their first day of trading.

The six directors who subscribed for 275,000 shares via a placing with investors retain a 23.1 per cent stake in the company, worth £4.3m at last night's closing price of 210.5p. The options are in addition to 1.75 million shares they were granted at the placing price of 100p.

The hefty premium immediately sparked a political row as the Labour Party attacked the flotation.

"This is the latest evidence of the Tory privatisation gravy train steaming ahead," said Andrew Smith, shadow transport secretary.

"The general travelling public in East Anglia will be outraged that six directors walked off with millions of pounds worth of shares in a day, as a result of speculation rather than any improvement to the railway."

"It is all the more scandalous as neither the general public nor

Anglia railway employees were able to buy shares in the privatised GB Railway company."

Net proceeds of £6.3m from the placing by Guinness Mahon on the Alternative Investment Market will be used to meet funding requirements for Anglia Railways, the company's first rail operation – which runs trains from London, Ipswich and Norwich. But they stand to make even greater windfall gains if GB Railways is awarded the London-based Thameslink rail franchise for which it has been short-listed.

Under a controversial scheme, the six directors have been granted options to buy 1.2 million shares at 0.75p, equal to up to 11.11 per cent of the shares needed to fund the Thameslink franchise.

The share and options package recognises the unspecified cost incurred by the directors over several years in bidding for an unspecified number of passenger rail franchises.

It bears many similarities to the scheme devised for executives at Prism Rail, the only other pure rail operator quoted on the stock market.

"It's a very similar set-up to the Prism, but it is not to the same extent," said Mark Cun-

ningham of Panmure Gordon, brokers to the issue.

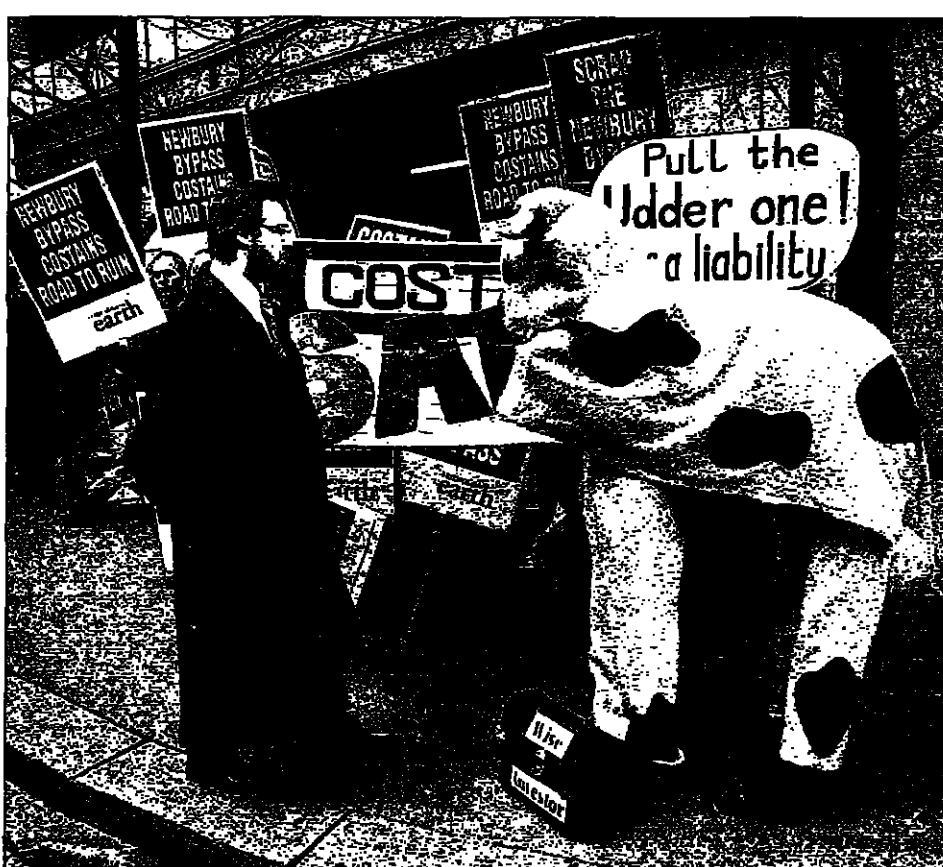
Last month the seven founder investors of Prism Rail, which like GB Railways was set up to tender for passenger train franchises, were awarded free shares worth £5.4m after unveiling plans to finance their fourth successful bid.

Details of the share bonanza emerged as Prism announced a £12m rights issue to help fund the contract to operate West Anglia Great Northern railway, the heavily-subsidised line which runs from London to Stansted airport, Cambridge and Peterborough.

The founders already own just over a third of Prism's shares, worth more than £32m at last night's closing price of 475p, compared to their placing price in May of 100p.

Apart from Lord Sheppard, other GB Railways directors to gain yesterday included deputy chairman Jeremy Long and finance director Simon Gunn and Canadian transport consultant Michael Schabas.

GB Railways will receive a subsidy of £35.9m in the first year of its seven year licence, declining to £6.3m in 2003-4 and will invest in 20 four-car trains worth up to £80m.



Road rage: Costain's extraordinary meeting at London's Barbican centre was disrupted as Friends of the Earth protested against the building of the Newbury by-pass

## Costain chaos as fists fly

Tom Stevenson  
City Editor

Costain's second acrimonious extraordinary meeting in two weeks collapsed into chaos yesterday after Newbury by-pass protesters stormed the stage at London's Barbican Centre and engaged an estimated 80 blazed security guards in an angry fist fight.

Ignoring a barrage of noise from around 50 shareholder-campaigners, the beleaguered construction company's new chairman, Azman Firdaus bin Shafii, guided the meeting through a resolution to approve the issue of new shares to £25bn, including Norwich Union. This is considerably more than earlier estimates and enough to give a powerful kick to consumer spending.

He also conducted a separate extraordinary meeting to discuss whether any actions should be taken to deal with the fact that

Costain's net assets had fallen below 50 per cent of its called-up share capital, a breach of the Companies Act.

It was recommended that no further action was needed in addition to the recently announced sale of Costain's US coal mining assets and its one-third share in the Spitalfields development site in London.

As well as repeated calls for the company to clarify its environmental policies, Costain was criticised for employing security guards without numbers to identify the more "thuggish", and for the estimated £560,000 pay-off due to Alan Lovell, who has resigned as chief executive but remains on the board until a successor is found.

One shareholder said: "Mr Lovell's pay-off is worth more than I have earned in my whole life. And I have never yet sunk a company through my incompetence."

## Mobile phone market surges

Chris Godsmark  
Business Correspondent

Forecasts for growth of the British mobile phone market were raised yesterday after record figures for subscribers numbers were released by the two all-digital networks, Orange and One2One.

The news gave a much needed boost to Orange shares, which rose 5p to close at 193p. Shares in Vodafone also benefited from the announcements, adding 7.5p to 251.5p.

Orange added 125,000 customers to its networks between October and December, including an encouraging Christmas, its highest ever quarterly connections figures, taking total subscribers to 785,000. The network also grabbed 29 per cent of all new customers in the market last year, compared with 15 per cent in 1995.

Graham Howe, finance director, claimed the 406,000 customers added in 1996 put the network clearly in second place behind Vodafone, with more than 1 million digital customers, but ahead of Cellnet and One2One. However the churn rate, which measures how many customers switch to other operators, went up slightly from 18.1 per cent in December 1995 to 18.6 per cent at the end of last year.

One2One added 85,000 subscribers in the last quarter of 1996, to a total of 545,000.

## 'Superman' shakes up Hutchison Whampoa

Stephen Vines  
Hong Kong

Li Ka-shing, the most important player in Hong Kong's stock market, yesterday took investors by surprise with a major restructuring in the colony. He said the move would make his Hutchison Whampoa group "one of the leading companies in the world for diversified infrastructure business".

The restructuring will also increase Mr Li's formidable control over the companies and will make vast accounting profits for his parent company, Cheung Kong.

Although the Hong Kong stock market had little time to digest Mr Li's complex plans it responded positively. The key Hang Seng Index rose 221 points to close at 13,443, mainly on the back of optimism generated by the reorganisation plans. Trading in the shares of Mr Li's companies was suspended.

If the plans are approved by

shareholders and regulatory authorities Hutchison Whampoa will make a general offer for the electricity utility Hongkong Electric, in which it already has a controlling interest.

Hutchison will then transfer its existing 35.01 per cent holding in Hongkong Electric to newly listed Cheung Kong Infrastructure, run by Mr Li's eldest son Victor. The move may result in the privatisation of HK Electric.

The parent company Cheung Kong will then transfer its entire shareholding in Cheung Kong Infrastructure to Hutchison for HK\$20bn (£1.54bn) worth of new shares in Hutchison, which will own 84.6 per cent of the infrastructure company. Cheung Kong will own 50 per cent of Hutchison.

Despite the increased shareholdings there is no suggestion of any real management change because companies already controlled by Mr Li are not famous for their autonomy.

The net result of this reshuffling will be to position Hutchi-

son as a big league infrastructure business focusing on telecommunications, power generation and ports development. Although its main interests lay in Asia, Hutchison has significant interests in Britain – its control of the recently listed Orange mobile telecommunications company and its joint ownership of Britain's largest container port at Felixstowe, run with OCEC, the company previously headed by Tung Chee-hwa who will lead Hong Kong's first post-colonial government.

Cheung Kong, the parent company, will increase its holding in Hutchison but retain its focus on property development, the area of Mr Li's expertise.

Mr Li is known as *Chiu yan* ("Superman") to the Chinese language press and most moves he makes are greeted with near-reflex approval. However some analysts yesterday were expressing concerns about the possibility that high-growth Cheung Kong Infrastructure might be held back by low-growth Hongkong Electric.

## Raytheon pays \$2.9bn for TI defence units

David Osborne  
New York

Raytheon yesterday announced a \$2.95bn (£1.75bn) all-cash purchase of the defence units of Texas Instruments, turning yet another page in the long-running consolidation of the US military and defence industry. The deal will elevate Raytheon to the number two spot among US electronic defence companies, beneath Lockheed

Martin. It may also boost its chances of absorbing Hughes Electronics, which is being put up for auction by its parent, General Motors.

Raytheon was reported to have beaten competition from Northrop Grumman to snare the Texas Industries businesses. Texas Industries is expected to emerge as Raytheon's only serious rival for Hughes Electronics, the final bids for which were due for submission last night.

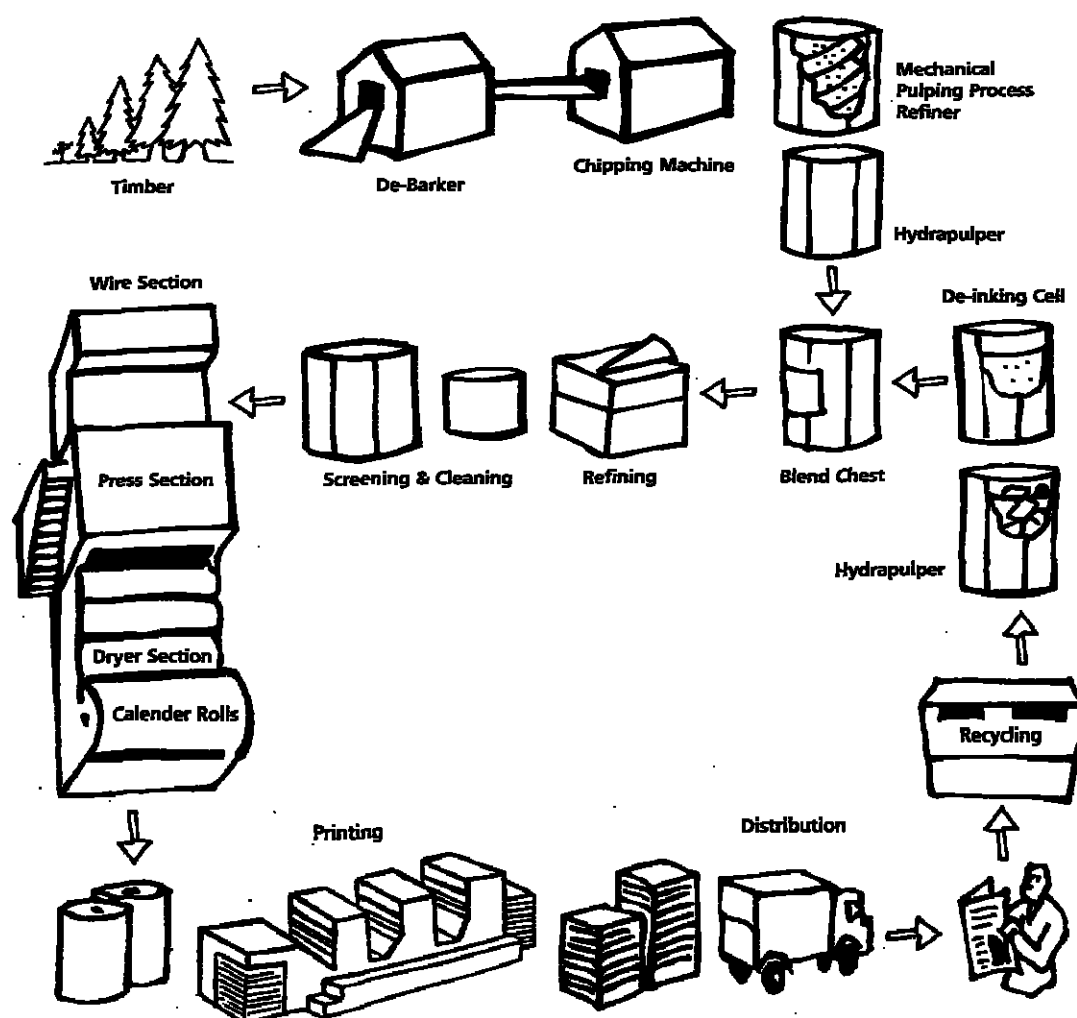
The sale of Hughes, which should fetch as much as \$9bn, could become the last big transaction in the mergers binge that has transformed the US defence industry since the end of the Cold War. The recent move by Boeing to acquire McDonnell Douglas for about \$14bn was principally driven by the attractiveness of McDonnell Douglas' defence businesses.

If Raytheon emerges as the winner in the race for Hughes

also, some analysts would expect Northrop Grumman to struggle to survive as a free-standing company.

Wall Street welcomed the Raytheon-Texas Instruments match, boosting the shares of both companies. The deal, which should be closed in the second quarter barring any government monopoly objections, would boost Raytheon's defence electronics sales to roughly \$8bn a year.

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## business

# GA points way to the end of falling bonuses

Nic Cicutti

Evidence that a long-term decline in payouts on maturing with-profits policies may be coming to an end was underlined yesterday by General Accident, the Scottish insurer, which said that bonuses paid on its endowments would remain broadly the same as last year.

The company announced that the total payout on a 25-year endowment with premiums of £50 a month would be £15,554, almost £2,700 higher than the amount paid out this time last year, equal to a net annual yield of 13.9 per cent.

Payouts on maturing 15-year policies will also rise slightly, adding £348 to the £23,972 achieved last year.

However, General Accident said a 10-policy would pay £119 less this year, at £10,289, than in 1996. Returns on a 20-year term dropped even more substantially over the past 12 months, from £58,044 to £54,914.

Peter Hales, assistant general manager at General Accident, said that the lower maturity value of a 20-year policy was explained by the company's decision to base its payouts on returns achieved during its lifetime.

"With 20-year terms, what we are seeing is the effect of the rise in the stock market in 1973, just after the crash a year earlier, disappearing from policies that were taken shortly after that time," Mr Hales said.

He pointed out that returns on a with-profits pension policy taken out 20 years ago were equivalent a gross yield of 15.4 per cent a year.

With-profits policies have annual bonuses attached to them plus a large final maturity. The aim is to smooth returns over longer periods.

Millions of endowments were



In the money: Peter Hales says he is confident returns on policies will be enough to pay off mortgages

sold in the 1980s alongside interest-only mortgages. In recent years, doubts have been raised over whether maturing policies will pay out.

But Mr Hales added: "We are confident that the returns on our policies, not just 25-year or 20-year with-profits endowments, but over 10 and 15 years too, will be enough to ensure mortgages are paid off in full when they mature."

General Accident's returns, which opened the beginning of the annual bonus season, come as Friends Provident, a smaller life insurer tipped as a takeover target, announced that it is cutting payouts on all but its 25-year policies.

# AG Barr prepares to mix its drinks

## THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

AG Barr is that rather quaint institution, an independent British soft drinks company. As local lemonade producers and bottlers fall to the big marketing guns of giant groups such as Coca-Cola, Barr and its ilk are becoming a rare breed.

The Glasgow-based maker of Irn Bru has therefore done well to cling on to and actually increase its share of the market, which rose from 4.9 to 5.2 per cent last year as sales across the industry slumped 6 per cent after exceptional summer heat made 1995 a bumper year.

But 1996 was all about plastic and factories, both of which hit profits. Stripping out a £1.42m exceptional restructuring charge last time, the pre-tax figure slipped from £6m to £5.04m in the 12 months to 26 October. A 50 per cent rise in the cost of PET, the plastic used to make bottles, added more than £1m to costs in the year, while double running of factories during the opening of a new plant at Cumbernauld added a further £1m.

The good news is that this year will be without either burden. The price of PET is back to where it was two-and-a-half years ago and Cumbernauld, which replaces three former factories, is fully operational. That will add around a quarter to existing capacity, which augurs well if the expected increase in consumer confidence this year spills over into soft drinks. Margins will also be augmented by cost savings worth £1m in a full year from the new facility.

On top of that, Barr should see a significant reduction in its debt burden, which has climbed in the past two years under the impact of Cumbernauld. The forecast £4m drop in borrowings from around £12m at the year end should help cut an interest bill which soared from £370,000 to £1,044m last year.

Early signs are encouraging, with Barr recording an 8 per cent rise in sales for the first two months of the current year. Despite the sad demise of Irn Bru's inspired former Scottish advertising campaign, the strategy of promoting Scotland's other national drink seems to be working, with sales of the brand portfolio ahead. At the same time, own-brand sales through supermarkets are down.

This year will see the launch onto an unsuspecting English market of a ready-mixed Bell's whisky and Irn Bru concoction.

Robin Barr, the chairman whose family still controls around a quarter of the shares, is sitting about Richard Branson's attack on the buy-out of Coca-Cola Schweppes Beverages, the market leader, by Coca-Cola, but admits the increasing stranglehold of the

## Cautious Treatt disappoints

US giant could be a problem. Even so, profits of at least £7m this year would put the shares, up 1.5p at 325p, on a multiple of just 13. That looks good value.

That was the main factor behind a slump in pre-tax profits from £3.54m to £1.52m, more than unwinding the one-off stock profits that had sent returns soaring from 1994's £2m. Earnings per share fell from 23.6p to 11.5p, enough to cover a full-year dividend of 5.7p, up slightly from 1995's 5.6p.

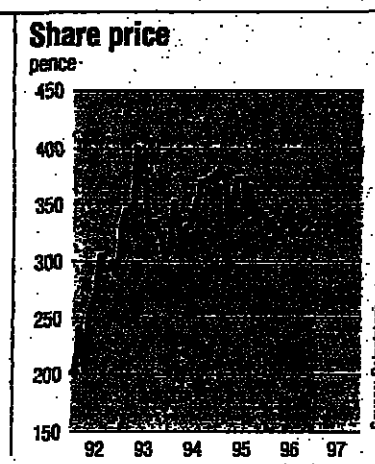
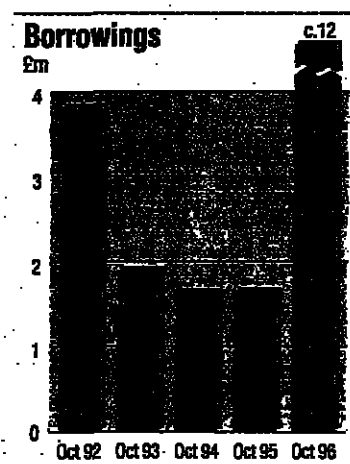
The market had been warned about the sharp fall in the orange oil price last July so there were no surprises there. What upset the shares again yesterday was a downbeat current trading statement which signalled a slowdown in the steady world-wide growth in demand for essential oils. As a basic ingredient in a huge range of foods and fragrances, demand for these oils has been on an upward tack for years but cold weather last summer in Europe and the US cut consumption of a number of oil-consuming products such as yoghurt and ice cream and Treatt's customers continue to desist.

Arguably, that too can be seen as a one-off effect which doesn't really change the on-going bull case for Treatt's market niche. And on the basis of Panmure Gordon's 1997 forecast of £2m, the shares now trade on a pretty

## A.G. Barr: at a glance

Market value: £63.1m, share price 325p

Five year record	1992	1993	1994	1995	1996
Pre-tax profits (£m)	5.97	4.07	6.65	4.58	5.04
Dividends per share (pence)	6.5	6.5	7.8	8.20	8.65



undemanding price-earnings multiple of only 11.

But smaller companies that disappoint the market in this way can pay the price in rating terms for a long while longer than seems wholly fair. Treatt may well be cheap at this level, but until it becomes clear exactly what management means by the cautious tone of its trading statement, they are likely to remain so.

## High hopes for a hop by Toad

Toad, the car security group founded by biotechnology impresario Chris Evans, has hardly matched the expectations of those who hoped for a repeat of his success with Chiroscience. Shares in the drugs group have comfortably doubled since their 1994 stock market launch. By contrast, Toad has seen its shares slump from around 110p to yesterday's unchanged price of 84p.

The company may, at last, be about to take off, however. Yesterday saw the passing of three resolutions at an extraordinary meeting which marks something of a watershed for Toad. The decisions clear the way for last month's £7.1m cash-raising, the arrival of Charles Parker as chief executive and the shares' move up to a full listing from the Alternative Investment Market.

The new money will be used to extend the chain of 17 installation depots by up to six more and add mobile units, but the most interesting development will be the launch, expected at the end of the year, of Toad's Actra "active travel system". If successful, this should help fulfil some of the company's promise as a vehicle technology group, rather than just an installer of car security gizmos, albeit sophisticated ones.

Linking up with bigger players in the mobile telephones industry, Toad is developing a vehicle tracking system based on the cellular telephone network that could prove a competition-beater. The system could provide a cheap means of route-finding for drivers, while providing the ultimate in security by semi-deactivating the car if it is stolen and then keeping track of it.

In the meantime, contracts with Ford Cellular, Mercedes, Volkswagen-Audi and PHH, for the 12 products already on the market could soon be producing annual revenue of £4m to £5m.

After clocking up an impressive £2.46m loss on sales of £2.71m in the first half of last year, Toad should move into profit next year. Worth a punt.

# Cook attacks Triplex Lloyd track record

Patrick Toohar

William Cook, the Sheffield steel castings group on the receiving end of a hostile £58m bid from Triplex Lloyd, yesterday sought to increase the pressure on its Midlands rival to raise its bid by launching a highly personal attack on the predator's "chequered" track record.

In a surprise twist to the bitter bid battle, William Cook said Colin Cooke, Triplex Lloyd's chairman, "should accept responsibility for the series of losses, failed acquisitions and decline in sales that have occurred during his tenure of office".

Noting that Triplex Lloyd had made losses in three of the last six years, William Cook went on to claim that the bid lacked any industrial logic because there were no significant head office cost savings or manufacturing synergies to be had. William Cook also attacked Graham Lockyer, Triplex Lloyd's managing director, claiming his time at the helm of Dowty Aerospace between 1990 and 1992 coincided with a collapse in profits.

Triplex Lloyd dismissed William Cook's attack, saying the record of the new management team in increasing profits and strengthening profits spoke for itself.

"William Cook's latest document again seeks to distract attention from the real issues by

concentrating on Triplex Lloyd's record before its new management team was recruited," said Graham Lockyer, Triplex Lloyd's chief executive.

Mr Lockyer joined Triplex Lloyd in July 1994 while finance director Bob Mitchell came on board a year earlier.

Triplex Lloyd also insisted that its core skills in the use of molten metals and moulds to make cast products was the same as William Cook's. William Cook is mainly involved in castings while Triplex Lloyd is a more diversified engineering group which serves the automotive and other industries.

And in a reference to the corporate lifestyle of Andrew Cook, William Cook's £500,000-a-year executive chairman, Triplex Lloyd added: "If Andrew Cook cannot see where substantial head office savings might come from, he cannot be looking very far."

Analysts say Triplex Lloyd will have to increase its bid to at least 400p to land William Cook. Triplex Lloyd is offering 309p in cash and shares, with a cash alternative of 295p, but last night William Cook's shares closed unchanged at 357.5p.

The war of words between the two sides has become increasingly bitter. The bid timetable has been extended indefinitely until the Office of Fair Trading completes its assessment of the proposed takeover.

# Wickes to resume trading today

Nigel Cope

Shares in Wickes, the troubled DIY group, will finally resume trading today after shareholders yesterday voted overwhelmingly in favour of the company's £53m rescue rights issue.

The rescue package means Wickes shares will start trading at 8.30 this morning, six months after they were suspended following the accounting scandal which led to a serious overstatement of profits.

Through the emergency general meeting in the City of London was attended by only about 30 shareholders, proxy

votes cast by institutional investors carried the vote by a ratio of 10 to one.

Clearly relieved to have secured shareholders' support for the rights issue, the new Wickes chief executive, Bill Grimsey, said: "This meeting signals the end of the disaster recovery phase. What we're doing is building the new Wickes. We've got this far. Many said we wouldn't, but we have."

Wickes shares are expected to open at a premium to the 15p-per-share-rights issue price this morning, boosted by speculation that the group will soon become a takeover target.

Mr Grimsey declined to com-

ment on further changes to the Wickes board though Sanford Sigaloff, 66, the non-executive who is closely associated with former Wickes chairman Henry Sweetbaum, is expected to resign before April.

Robert Burrow, a non-executive director who is a partner at City lawyers SJ Berwin, will step down at the group's annual meeting in April.

Mr Grimsey said Wickes had received no formal approaches regarding a possible takeover. However, he did admit that the "phone had rung a couple of times". Possible bidders include Kingfisher and RMC which owns the Great Mills chain.

However, John Richards, an analyst at NatWest Securities, said talk of takeover was optimistic. "We are sceptical as to whether there is anybody out there who wants Wickes enough to pay a premium. Wickes has damaged its relations with suppliers and has no consumer brand name to speak of."

Predicting a "slow, lingering death" for Wickes Mr Richards advised shareholders to take advantage of any rise in the share price to reduce their holding.

Under the terms of the rights issue and capital re-constitution shareholders will receive one new share for every 10 new shares at 150p.

# Newman Tonks blasts 'opportunistic' FKI bid

Patrick Toohar

Newman Tonks, the Birmingham-based doorknobs and locks group, yesterday urged shareholders to reject a hostile £196m bid from engineering rival FKI, saying it was a blatant and opportunistic attempt to grab the company on the cheap.

In a letter to shareholders accompanying its defence document, Newman Tonks' chairman, Christopher Hughes, also attacked the decision by M&G, its largest shareholder, to back FKI's bid.

"I am very disappointed that M&G should have made this decision without speaking to us first," he said. "We had taken care to maintain a regular and responsible dialogue with M&G

in recent years and their action is not consistent with the understanding that we believed we had with them."

M&G, which has a 11.2 per cent stake in Newman Tonks, gave irrevocable undertakings to accept FKI's bid on the day it was launched.

Newman Tonks also played on concerns that FKI might be overstretching itself, having spent £260m in three deals last year. But FKI hit back, noting that Newman Tonks' share price had fallen by nearly a third in five years under the current management.

"How Newman Tonks' board can say that it has delivered a strong financial performance... is simply incredible," said FKI's chairman, Jeff Whalley.

# Schneiders charged over £1.9bn collapse

Imre Karacs Bonn

Jurgen Schneider, the property tycoon whose empire collapsed in 1994 leaving debts of DM5bn (£1.9bn), was formally charged yesterday with fraud and forgery. If convicted, he faces a prison term of up to 15 years.

Mr Schneider and his wife, Claudia, who was also indicted yesterday for bankruptcy fraud, fled from creditors in April 1994, leaving a gaping hole in the accounts. The couple were discovered a year later in Miami and extradited to Germany.

Frankfurt prosecutors allege he had tricked his creditors, including Germany's largest banks, into giving loans by falsifying the value of his assets. At

the time of his disappearance, he owed money to 1,600 people and companies. Deutsche Bank, his biggest creditor, lost DM45m, a figure once famously dismissed by a senior executive of the bank as "peanuts".

Though Mr Schneider blames his woes on the negligence of the banks, the prosecutors said they had found no such evidence. In the prosecutors' view, the rags-to-riches tycoon who struck gold with the reunification of Germany, had obtained credit from banks under false pretences, by overstating his rental income and presenting forged bills. Mr Schneider was also charged with shunting DM245m into Swiss bank accounts in the last days of his reign.

## IN BRIEF

• GEC has announced a deal to sell a US computer-printing machinery subsidiary, the second disposal in its restructuring programme in the space of a week, for an undisclosed sum. The Chicago-based company, AB Dick, employs more than 1,000 people with 100 staff in the UK. The prospective buyer is Paragon Corporate Holdings, part of the Nescor group from Cleveland, Ohio, with the sale due to be completed on 17 January. Last week GEC announced the first move in the modest restructuring drive under new managing director George Simpson when it unveiled a deal to sell its automation systems business, Satchwell, to Siebe for £80m.

• Rolls-Royce is to contract-out computing staff working in its division which makes power station equipment in a 10-year deal worth some £300m with computer group EDS. The arrangement involves 160 Rolls-Royce employees responsible for hardware and software transferring to EDS, which will also develop a risk-sharing programme to improve the aerospace group's internal business systems. Rolls Royce said the outsourcing deal, an increasingly popular arrangement with British firms, would be extended from industrial power businesses to the rest of its global operations.

• British Airways said passenger traffic in December increased by 9.9 per cent from the previous year. Capacity in the same period rose 8.4 per cent, and the 69.1 per cent passenger load factor for the month was up by 1.0 per cent compared with last year, it said, a new record. Long-haul traffic grew 11.3 per cent, surpassing the 3.6 per cent growth on UK/Europe routes. Demand for the airline's premium brands in December saw growth of 6 per cent with 10.6 per cent growth seen in the main cabin.

• Union officials in the UK urged the Monopolies and Mergers Commission to back clearance of the merger of the cross-Channel ferry operations of Peninsular and Oriental Steam Navigation and Stena Line, claiming more than 2,000 jobs may go if the merger is blocked. The GMB general union said a united company is needed to fight the threat of the Channel Tunnel which is taking away business from Stena. The President of the Board of Trade, Ian Lang, referred the merger to the MMC.

• Safety inspectors have given two British Energy nuclear power stations the go-ahead to extend operations for a further 10 years. The reactors at Hunterston B and Hinkley Point B started operations in 1976 and were coming to the end of their approved 20-year lifespan.

## Company Results

	Turnover	Pre-tax	EPS	Dividend
AG Barr (p)	£108.1m (£101.2m)	£5.04m (£4.58m)	16.4p (15.21p)	8.65p (8.2p)
Optimatech Corp (p)	\$1.75m (\$1.95m)	\$114,000 (\$113,000)	-1.0c (-1.0c)	nil (-)
Trealt (p)	£20.4m (£20.7m)	£1.52m (£3.54m)	-11.5p (23.6p)	5.7p (5.6p)

(p) - Paid (n) - Net (m) - New months

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## market report / shares

Taking Stock

## Data Bank

FTSE 100  
4106.5 + 17.0FTSE 250  
4517.4 + 23.8FTSE 350  
2041.7 + 9.0SEAO VOLUME  
682.5m shares

3,941 bargains

Gifts Index  
93.33 - 0.30

Share spotlight

Share price, pence

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## L&amp;G flurry renews speculation of corporate activity



## MARKET REPORT

## DEREK PAIN

stock market reporter of the year

Legal & General, the insurance giant, attracted hot money as the stock market closed. The shares were firm throughout the session, gaining 5p to 376.5p. A late flurry produced two trades at 380p and one, for 50,000, at 387p. Turnover, as represented by Seao, was just over 3 million.

The sudden excitement could mean nothing—or everything. The market has for long been on bid alert for more insurance action and even a little, unexplained trading of the type which occurred in L&G was enough to get some observers speculating about possible corporate activity.

Continental groups are seen as contenders for British insurers. There have also been alliances to build the strength of domestic groups in the event of hostile foreign strikes. The merger which created Royal & Sun Alliance was seen as a defensive manoeuvre;

so was the Refuge and United Friendly get-together which produced United Assurance. In recent months BAT Industries has been linked with a number of insurance groups. And National Westminster Bank has been seen as a candidate to bid for L&G.

The BAT story is based on the premise that the financial and tobacco giant is planning a break-up, a possibility which has yet to attract any support from the group.

The idea is that BAT's financial side, largely consisting of Eagle Star and Allied Dunbar, should be beefed up by the addition of an insurance major ahead of being demerged from the tobacco business. The tobacco side would, runs the argument, then take over the Imperial Group, recently demerged from Hanson. Besides insurance speculation there is a distinct feeling that more corporate activity is

due to break out in the rest of the financial sector this year.

NatWest, up 9.5p to 706p, is receiving some support from analysts. Last week Credit Lyonnais Laing offered encouragement and yesterday it was the turn of Panmure Gordon which lifted its profit forecasts to reflect consumer borrowing.

The market recovered from the long festive session with turnover at 682.5 million shares. The steady flow of new year tips helped create interest. Footsie, with New York romping above 6,600 points during London hours, ended 17 points higher at 4,106.5. Shares were restrained by

the continuing difficulties of John Major and the impact sterling's rampant display is having on exports.

British Gas rose 4p to 225p despite a 200p target price from Merrill Lynch and sell advice from Societe Generale Strauss Turnbull. Franklyn, a US investment fund, could be responsible for the strength; it notified a stake of just over 3 per cent, worth more than £300m.

Properties had a strong run on increasingly bullish forecasts about the prospects for the commercial and residential markets this year.

There were suggestions a more buoyant market could en-

courage takeover activity such as M&P, up 13p to 450p, bidding for Slough Estates, 4p to the good at 282p.

Retailers ahead of expected festive trading updates in the next few weeks, were firm. WH Smith, where vague takeover speculation flutters, rose 11p to 467.5p. But Lamra Ashley, weak recently, fell a further 9p to 157.5p as Merrill Lynch took the shares from its buy list.

Hillsdown Holding, the food group, seeing analysts, fell 6p to 190p and health care group Smith & Nephew, arrested recent weakness, with a 3.75p gain to 181.75p following an analysts' briefing.

BTR's strong run came to a grinding halt, off 9p to 268.5p, as NatWest Securities pointed to the scope to take profits.

GB Railways made the expected full-steam debut, ending at 210.5p from a 100p placing. The shares topped

230p at one time. Azlan, the computer group, went into the history books with what must be one of the biggest rights issues flops.

Its £48.5m cash call produced a mere 0.56 per cent take-up, leaving underwriters with the rest. SBC Warburg, lead underwriter, is left with 6.26 per cent, which is likely to be sold. The rights were at 620p. Xavier Computer returned to market at 12p against an 11p suspension.

Thomas Jourdan shaded to 31p as David Abell, ex-Suter, ruled out any bid intention.

Frank Usher, a clothing group, put on 8p to 176p. Nigel Wray took time off from building his sports empire by increasing his stake to 5.87 per cent. Celtic scored again and on Ofex Rangers jumped 115p to 650p. The two Glasgow clubs were helped by suggestions they could join the Premiership.

Grand Metropolitan achieved the best gain—a 77.5 per cent advance by a preference share carrying a 5 per cent coupon.

They closed at 98.5p after the food and drink giant announced it intended to repay at 100p its three preference shares. The buy-in will cost Grandmet around £12.2m. Its ordinary shares failed to join the fun, falling 10p to 449.5p.

AromaScan, making electric "noses" for gas and odour detection, is in the red but Credit Lyonnais Laing thinks the shares are a buy. The company is expected to suffer a £2m deficit this year. CLJ, say although AromaScan seems to be far away from generating profits, the management appears to be doing "all the right things" for long-term profitability. The shares rose 8p to 87p.

Stock	Price	Chg	Vol	Index
Alcoholic Beverages				
Adnams	480.00	+	100	
Beck's	120.00	+	50	
Brewery	150.00	+	100	
Carlsberg	180.00	+	100	
Guinness	200.00	+	100	
Heineken	220.00	+	100	
Johnnie Walker	240.00	+	100	
King's	260.00	+	100	
Miller	280.00	+	100	
Paul Smith	300.00	+	100	
Richard & Judy	320.00	+	100	
Stout	340.00	+	100	
Watson	360.00	+	100	
Whisky	380.00	+	100	
Wine	400.00	+	100	
Banks, Merchant				
Barclays	410.00	+	100	
Bank of Scotland	420.00	+	100	
Bank of Ireland	430.00	+	100	
Bank of London	440.00	+	100	
Bank of Montreal	450.00	+	100	
Bank of New York	460.00	+	100	
Bank of Paris	470.00	+	100	
Bank of Rome	480.00	+	100	
Bank of Spain	490.00	+	100	
Bank of Sweden	500.00	+	100	
Bank of Switzerland	510.00	+	100	
Bank of Tokyo	520.00	+	100	
Bank of Vienna	530.00	+	100	
Bank of Zurich	540.00	+	100	
Banks, Retail				
ABN	550.00	+	100	
ABN-Amro	560.00	+	100	
ABN-Nieuw	570.00	+	100	
ABN-Rijk	580.00	+	100	
ABN-Swiss	590.00	+	100	
ABN-Toronto	600.00	+	100	
ABN-Vancouver	610.00	+	100	
ABN-Washington	620.00	+	100	
ABN-Yokohama	630.00	+	100	
ABN-Zurich	640.00	+	100	
ABN-Bank	650.00	+	100	
ABN-Canada	660.00	+	100	
ABN-France	670.00	+	100	
ABN-Germany	680.00	+	100	
ABN-Italy	690.00	+	100	
ABN-Japan	700.00	+	100	
ABN-Netherlands	710.00	+	100	
ABN-Sweden	720.00	+	100	
ABN-Switzerland	730.00	+	100	
ABN-Taiwan	740.00	+	100	
ABN-Thailand	750.00	+	100	
ABN-Turkey	760.00	+	100	
ABN-U.S.A.	770.00	+	100	
ABN-U.K.	780.00	+	100	
ABN-West Germany	790.00	+	100	
ABN-Yugoslavia	800.00	+	100	
ABN-Zimbabwe	810.00	+	100	
ABN-Brazil	820.00	+	100	
ABN-Argentina	830.00	+	100	
ABN-Chile	840.00	+	100	
ABN-Colombia	850.00	+	100	
ABN-Cuba	860.00	+	100	
ABN-Ecuador	870.00	+	100	
ABN-Honduras	880.00	+	100	
ABN-Mexico	890.00	+	100	
ABN-Nicaragua	900.00	+	100	
ABN-Panama	910.00	+	100	
ABN-Paraguay	920.00	+	100	
ABN-Peru	930.00	+	100	
ABN-Puerto Rico	940.00	+	100	
ABN-Salvador	950.00	+	100	
ABN-Sri Lanka	960.00	+	100	
ABN-Tanzania	970.00	+	100	
ABN-Togo	980.00	+	100	
ABN-Tunisia	990.00	+	100	
ABN-Uganda	1000.00	+	100	
ABN-Zambia	1010.00	+	100	
ABN-Zimbabwe	1020.00	+	100	
ABN-Bank	1030.00	+	100	
ABN-Canada	1040.00	+	100	
ABN-France	1050.00	+	100	
ABN-Germany	1060.00	+	100	
ABN-Italy	1070.00	+	100	
ABN-Japan	1080.00	+	100	
ABN-Netherlands	1090.00	+	100	
ABN-Sweden	1100.00	+	100	
ABN-Switzerland	1110.00	+	100	
ABN-Taiwan	1120.00	+	100	
ABN-Thailand	1130.00	+	100	
ABN-Turkey	1140.00	+	100	
ABN-U.S.A.	1150.00	+	100	
ABN-U.K.	1160.00	+	100	
ABN-West Germany	1170.00	+	100	
ABN-Yugoslavia	1180.00	+	100	
ABN-Zimbabwe	1190.00	+	100	
ABN-Brazil	1200.00	+	100	
ABN-Argentina	1210.00	+	100	
ABN-Chile	1220.00	+	100	
ABN-Colombia	1230.00	+	100	
ABN-Cuba	1240.00	+	100	
ABN-Ecuador	1250.00	+	100	
ABN-Honduras	1260.00	+	100	
ABN-Mexico	1270.00	+	100	
ABN-Nicaragua	1280.00	+	100	
ABN-Panama	1290.00	+	100	
ABN-Paraguay	1300.00	+	100	
ABN-Peru	1310.00	+	100	
ABN-Puerto Rico	1320.00	+	100	
ABN-Salvador	1330.00	+	100	
ABN-Sri Lanka	1340.00	+	100	
ABN-Tanzania	1350.00	+	100	
ABN-Togo	1360.00	+	100	
ABN-Tunisia	1370.00	+	100	
ABN-Uganda	1380.00	+	100	
ABN-Zambia	1390.00	+	100	
ABN-Zimbabwe	1400.00	+	100	
ABN-Bank	1410.00	+	100	
ABN-Canada	1420.00	+	100	
ABN-France	1430.00	+	100	
ABN-Germany	1440.00	+	100	
ABN-Italy	1450.00	+	100	
ABN-Japan	1460.00	+	100	
ABN-Netherlands	1470.00	+	100	
ABN-Sweden	1480.00	+	100	
ABN-Switzerland	1490.00	+	100	
ABN-Taiwan	1500.00	+	100	
ABN-Thailand	1510.00	+	100	
ABN-Turkey	1520.00	+	100	
ABN-U.S.A.	1530.00	+	100	
ABN-U.K.	1540.00	+	100	
ABN-West Germany	1550.00	+	100	
ABN-Yugoslavia	1560.00	+	100	
ABN-Zimbabwe	1570.00	+	100	
ABN-Brazil	1580.00	+	100	
ABN-Argentina	1590.00	+	100	
ABN-Chile	1600.00	+	100	
ABN-Colombia	1610.00	+	100	
ABN-Cuba	1620.00	+	100	
ABN-Ecuador	1630.00	+	100	
ABN-Honduras	1640.00	+	100	
ABN-Mexico	1650.00	+	100	
ABN-Nicaragua	1660.00	+	100	
ABN-Panama	1670.00	+	100	
ABN-Paraguay	1680.00	+	100	
ABN-Peru	1690.00	+	100	
ABN-Puerto Rico	1700.00	+	100	
ABN-Salvador	1710.00	+	100	
ABN-Sri Lanka	1720.00	+	100	
ABN-Tanzania	1730.00	+	100	
ABN-Togo	1740.00	+	100	
ABN-Tunisia	1750.00	+	100	



## business

# Why the freeze in Europe could be good news for the economy

Cold enough for you? The cold weather clouds do have a silver lining as far as the economy is concerned: cold weather such as Europe has been experiencing, is in the longer term (though not in the short) good for economic activity. Result? While Europe will experience a shortfall in growth over the winter, there should be a sharp bounce back in the spring and summer. That bounce will mean that overall activity through the year will turn out to be pretty much the same as it otherwise would have been. If we get a cold summer too, then growth will be higher.

The fact that it was cold enough for the Dutch to run their 125-mile canal skating race for the first time since 1986 suggests that this winter will turn out to be very unusual. Further south, Spain is having its worst winter for 20 years, while later this week expect a further rise in German unemployment in December to be attributed at least in part to the impact bad weather has been having on the construction industry there.

We tend to think that in our centrally-heated world a patch of cold weather is easily accommodated by our economies, but actually for some industries (like construction) unreasonable weather can still have a dramatic effect.

It is far too early to try to assess the full impact of the weather, if only because we have no idea how long the cold snap will persist. Some effects have already been seen. Aside from the construction effect, there has been a rise in seasonal vegetable prices, particularly in the Netherlands and in Italy and Spain.

Energy output naturally rises, though so far there has been no

noticeable rise in the oil price which has been quite strong – but it was firm before anyone knew what the winter would be like. But while it is early for this winter, we do know from past experience a bit about the general impact of bad weather. Last winter was pretty chilly too and so in the spring Kleinwort Benson Securities carried out an assessment of cold weather in general on economic activity in the UK.

The results are set out in the chart. Leo Doyle, the economist, looked back at temperature statistics since 1980 and then checked that against fluctuations in GDP. As you can see, in winter a typical cold winter knocks 0.2 per cent off GDP during that actual winter.

The rise in energy output is more than offset by the fall in construction. But then about half the decline in construction is recovered in the spring, and we tend to boost spending on things like holidays in hot climates, so that overall there is little net change.

In fact if you look at growth rates rather than absolute levels of GDP the addition to growth following a cold winter is greater than the subtraction during the winter itself.

In terms of personal spend-



Hamish McRae

The rise in energy output is more than offset by the fall in construction. But then about half the decline in construction is recovered in the spring

(which excludes construction) the biggest "losers" from a cold winter are betting and

gaming, private car sales, textiles and furnishings, tourist spending in the UK and, a little surprisingly, spending on books. For every one degree below the norm during winter there is, apparently, nearly a 2 per cent fall in book purchase.

You might imagine that on cold winter evenings the thing to do is read a good book in front of the fire. Maybe – but evidently we don't like going out and buying the book in the first place.

At other times in the year the benefits of colder weather are even more clearly positive, for they are positive both in the short and the longer terms. Obviously sales of some items rise in very hot weather: we drink more beer and soft drinks. But in general hot weather is bad for the economy: we stop about enjoying the sun instead of going out and spending our money in the shops.

But this is (a) all about the UK, and (b) concerns the contrast between coldish winters and warmish ones.

Do the absolutely exceptional conditions on the Continent at the moment have further implications over and beyond this general rule that most or all of the growth lost

by cold weather is caught up in the spring?

I think they might in two ways. The first is that while the growth may be caught up, there is a loss of welfare. Though GNP may end up the same, people will not feel as rich as they otherwise would have done.

The reason is that higher spending on fuel or higher public spending on clearing up the disruption may boost GDP, but it does not make people feel any richer.

Think of your home; money spent on keeping it warm is money up the chimney, for the house is not any warmer as a result. And in the public sector money spent keeping roads clear, or supporting people out of work as a result of the weather, is money not available for other public services.

The second effect leads on from this. The shortfall of growth in the winter will result in public finances looking even further from meeting the Maastricht targets, both from higher spending and from lower revenues. Eventually some of the latter will be recovered, but not the former. These shortfalls will come at a particularly bad time: a temporary rise in unemployment is tough enough when things are going well, but particularly cruel when they are not.

So while bad weather in general is – on balance – positive for the economy, this particular bout will more likely be negative. There will, come the spring, be a strong bounce, but meanwhile the growth figures will look pretty grim. And it will be core Europe, and in particular Germany, that will be most affected. Great that the Dutch could carry out their skating race. Not so good for the rest of the Continent.

## Sooty bares his legs on children's television

### PEOPLE & BUSINESS

David Potter's Guinness Mahon group is responsible for one of the most shocking innovations in television: Sooty with legs.

Yesterday afternoon ITV screened the first of a 13-part cartoon series of our glove puppet friend, with the frolicsome bear's legs being shown for the first time.

Until now all intellectual rights to Sooty belonged to Guinness Mahon Development Capital's Global Rights Fund, which bought the rights last year. This meant only institutional investors could take a stake in the puppet, but yesterday Guinness Mahon Venture Capital Trust bought a 33 per cent stake at a cost of £750,000. This means individuals will be able to invest in Sooty via GMVCT.

There seems no end to Sooty's financial possibilities, according to Gordon Power, managing director of GMD: "The launch of the cartoon series Sooty's Amazing Adventures will mark the first significant step to break into the world market." He'll be running for Lord Mayor next.

There's nothing quite like an EGM rumour to get the new year off to a good start, and Costain's EGM didn't fail us. Yesterday the construction group's new chairman, Dr Azman Firdaus bin Shafii, was faced by a pungent group of New Age anti-roads protesters, but they turned out to be the least of his worries.

At one point a wizened shareholder got to his feet and asked the chairman: "Do you know the difference between a dodecahedron and a tetrahedron?" Dr Azman didn't come up with an answer, whether he didn't know or was simply too bemused by the question remains open to debate. The shareholder then signed off with a quote in Latin, which, sadly, our correspondent failed to catch.

A Costain spokesman tells me that before the EGM the same shareholder refused to



Up and running: Sooty has new-found mobility

let security guards examine his bulging pockets, saying he had "hundreds of thousands of pounds in them".

So Costain's press spokesman, Tim Westman, and a security guard accompanied the shareholder to a toilet, where they found his pockets were filled with bundles of old Costain tax vouchers. Strange but true.

The 84-page Woolwich transfer document landed on our financial reporter's doormat at the crack of dawn yesterday morning with such a loud thump that it woke her up. This is what marketing men call "making an impact". She awaits the crash of the mighty Halifax document later this week with trepidation.

The Chartered Association of Certified Accountants has changed its name to the Association of Chartered Certified Accountants. Its acronym remains the same – Acca.

So why wasn't the old association known as Caca? And why change? Does this have anything to do with the fact that "caca" means "faeces" in Spanish, I wonder?

Obviously such an acronym would not go down terribly well in Spanish-speaking countries. A spokeswoman for Acca says this was not the reason for the renaming.

Peter Langard, president of Acca, explains: "Chartered is now the generic designation for all professionally qualified accountants. This advertising campaign stresses that chartered accountants are skilled professionals who practise to the highest standards of expertise and ethics."

And definitely nothing to do with caca.

One of my colleagues has noticed that Lombard Street in the heart of the City is not the pulsating thoroughfare it once was. Banks have been moving out.

TSB used to have its head office at number 60, but when it sold up to Lloyds Bank its operations transferred across the road to Lloyds' head office at number 71. The TSB building has been empty since last year.

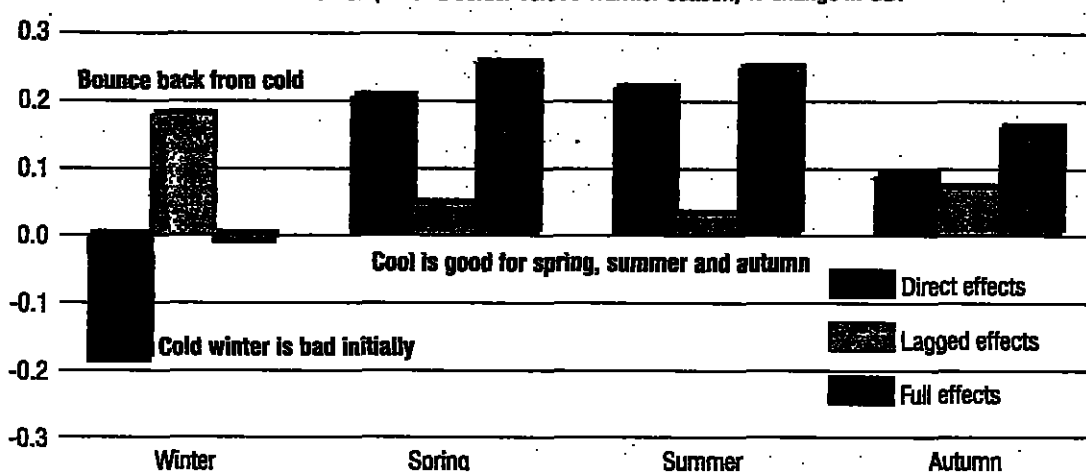
Royal Bank of Scotland has moved its head office operations from Lombard Street to High Holborn, outside the City. Clydesdale Bank, owned by National Australia Bank, has moved its head office operations from Lombard Street to two other City sites.

So is this historic thoroughfare next to the Bank of England dying on its feet? "Not judging by the pubs I go to," says a Lloyds spokesman.

John Willcock

### Cold weather is good for GDP

Effect on output of a colder versus warmer season, % change in GDP



#### Foreign Exchange Rates

Country	Spot	1 month	3 months	6 months	1 year
US	1.6847	12.10	36.35	100.00	0.0390
Canada	2.2383	54.48	154.56	30.28	75.73
Germany	2.2634	59.61	205.53	155.48	30.47
France	6.5904	27.89	840.68	5.289	289.28
Italy	2.0925	31.45	103.123	36.89	91.70
Japan	163.89	55.49	281.27	15.24	149.47
Spain	1.6389	15.18	48.45	12.88	20.594
Belgium	54.284	16.10	42.36	32.227	20.17
Netherlands	10.556	222.17	52.55	3.294	3.618
Denmark	2.4825	160.50	380.27	64.655	12.78
Sweden	2.2192	3.15	9.15	18.59	1.336
Norway	1.0737	5.1	16.10	18.220	1.04
Switzerland	1.122	220.160	590.590	6.936	14.16
Australia	2.2336	85.76	238.225	13.535	40.37
South Africa	2.3479	93.32	240.853	7.7365	2.0
Malaysia	4.2555	0.0	0.0	0.0	0.0
New Zealand	2.2379	64.71	147.9	24.33	59.39
Saudi Arabia	6.390	0.0	0.0	0.0	0.0
Singapore	2.3882	0.0	0.0	0.0	0.0

Forward rates quoted high to low are at a discount; rates quoted low to high are at a premium. \*Dollar rates quoted as reciprocals. For the latest foreign exchange rates call 0891 223 3033. Calls cost 50p per minute (day rate) 45p other times.

#### Interest Rates

UK	600%	Germany	2.50%	US	8.75%	Japan	0.50%
Base Rate	5.00%	Discount	4.50%	Prime	5.00%	Discount	2.50%
Intervention	3.50%	Canada	4.75%	Fed Funds	5.25%	Switzerland	3.00%
Discount	7.50%	Denmark	5.00%	10-Day Repo	5.25%	Sweden	4.00%
Advances	2.50%	Sweden	3.25%	Repo (Avg)	4.00%	Lombard	4.25%

#### Bond Yields

Country	5yr	10yr	15yr	20yr	30yr
UK	7.5%	7.1%	7.1%	7.2%	7.2%
US	5.16%	6.23	6.50%	6.62	6.62
Germany	5.1%	5.1%	5.1%	5.1%	5.1%
France	7.0%	6.7%	6.5%	6.5%	6.5%

#### Money Market Rates

Overnight	7 Day	1 Month	3 Months	6 Months	1 Year
Interbank	4.5%	5.5%	6.5%	7.5%	8.5%
Local Authority	5.0%	6.0%	7.0%	8.0%	9.0%
Discount Market	5.0%	6.0%	7.0%	8.0%	9.0%
Treasury Bills (91)	5.0%	6.0%	7.0%	8.0%	9.0%
Dollar Bill	5.0%	6.0%	7.0%	8.0%	9.0%
EU Lined Dep	5.0%	6.0%	7.0%	8.0%	9.0%

#### Tourist Rates

Country	2000	2001	2002	2003	2004
Australia (Dollars)	2.0800	2.0800	2.0800	2.0800	2.0800
Belgium (Francs)	35.000	35.000	35.000	35.000	35.000
Canada (Dollars)	2.2500	2.2500	2.2500	2.2500	2.2500
Denmark (Krone)	6.4600	6.4600	6.4600	6.4600	6.4600
France (Francs)	6.5500	6.5500	6.5500	6.5500	6.5500
Germany (Mark)	2.0000	2.0000	2.0000	2.0000	2.0000
Italy (Lira)	2.0000	2.0000	2.0000	2.0000	2.0000
Japan (Yen)	100.00	100.00	100.00	100.00	100.00
Netherlands (Guilder)	2.0000	2.0000	2.0000	2.0000	2.0000
Spain (Peseta)	166.64	166.64	166.64	166.64	166.64
Sweden (Krona)	4.6600	4.6600	4.6600	4.6600	4.6600
Switzerland (Franc)	2.0000	2.0000	2.0000	2.0000	2.0000
UK (Pound)	1.0000	1.0000	1.0000	1.0000	1.0000
USA (Dollar)	1.0000	1.0000	1.0000	1.0000	1.0000

#### Life Financial Futures

Contract	Settlement	High/Low	Open
Long GB	100.00	100.00	100.00
Short GB	100.00	100.00	100.00
Long US	100.00	100.00	100.00
Short US	100.00	100.00	100.00

#### Life FTSE Index Option

Series	4000	4100	4200	4300	4400
Jan	73/3	38/26	13/57	3/103	...
Feb	12/38	30/58	52/81	28/111	...
Mar	32/63	57/83	89/108	48/127	...
Apr	148/53	152/101	91/125	69/151	...

#### Energy

Contract	Settlement	High/Low	Open
Long Oil	100.00	100.00	100.00
Short Oil	100.00	100.00	100.00
Long Gas	100.00	100.00	100.00
Short Gas	100.00	100.00	100.00

#### Commodity Indices

Commodity Indices										GSCI Indices	
	Base date	+Spot	%chg Day	21 Day	%chg YTD	Year ago	%chg Yr				
Index:	1970=100	216.95	+0.91	216.25	+3.99	203.84	+4.54				
Oil:	1970=100	221.56	+0.92	221.25	+3.99	203.84	+4.54				
Energy:	1983=100	86.86	+1.94	85.86	+2.33	75.08	+17.49				
Industrial Metals:	1977=100	17.14	+1.28	168.79	+2.35	168.41	-4.19				
Livestock:	1970=100	19.01	+0.09	19.00	-0.62	17.26	+10.22				
Commodity Index:	1970=100	216.95	+0.91	216.25	+3.99	203.84	+4.54				











a penalty decision when Boro were 5-0 up against Chester in

H Knaus (AUT) 461pts; 2 M Von Gruenberg (AUT) 447; 3 T Sikora (AUT) 382; 4 K Andre

"The conditions were extremely demanding today. It was foggy and the snow was too soft," Sykora said. "But I tried

**NEW ZEALAND OPEN (Auckland) Men's singles**  
 1st round: H Gurny (AUS) 6-1 G Caroneau (AUS) 5-7 5-6  
 2 A Redulescu (GER) 6-7 G Russo (GB) 7-5  
 3 7-6; N Kato (Jpn) 6-1 J Szam (AUS) 6-4 6-3  
 4 Joranson (USA) 6-7 T Linnham (AUS) 6-4 6-3  
 1st round (Dns): Joranson (AUS) 6-1 5-7 5-3  
**TONEY INTERNATIONAL (White City, Singles)**  
 1st round: G Hedges (AUS) 6-4 6-3  
 2nd round: G 6-3 6-4; S Stolle (AUS) 6-7 T Pennell (GER)  
 4 6-4; B Linnham (GB) 6-2 6-1  
 3rd round: 6-3 6-7 5-3; A Costa (SLO) 6-1 R Mour (FR) 6-3  
 4 6-3; A O'Brien (AUS) 6-7 G Doyle (AUS) 6-4 6-4  
 5 S Pittsbaugh (FR) 6-1 N Zvereva (BEL) 6-0  
 6 R Simons (GER) 6-1 M Habsburg (Slovak)  
 7 5-7 5-6  
 7 5-5 Appelmans (Bel) 6-1 J Mandan (GER)  
 6 6-2; 1st PO (AUS) 6-1 J Wenzner (AUS) 6-2 3-6  
 8 N Samsatami (Japan) 6-1 M Tu (US) 7-5 6-3

Thomas Cook Ski Direct

	Last	Ltr	Yr	Forecast
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%	4.1	70	140	Overcast
%	3.1	45	80	Improving

13 DIRECT

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**Rugby's young guns**  
New faces for '97 from different  
codes of the game page 22

**sport**

**Road to the Super Bowl**  
Matt Tench on the end of an era  
for the NFL, page 21

# Wilkinson alights on Hoddle's shoulder

**FA takes gamble on ex-Leeds manager**

**Football**  
GLENN MOORE

The final member of the Football Association's team to take English football into the new millennium finally joined up yesterday. Howard Wilkinson, the former Leeds United manager, accepted the post of technical director and thus ended a search that began in November 1994.

He joins Graham Kelly, the FA's chief executive, Glenn Hoddle, the England coach, and Keith Wiseman, the FA chairman. Together they aspire to lift the English game to the level of that in Germany and Italy.

There are those who believe the FA is yet to enter this century let alone the next, but this appointment is the last and most important step in the organisation's renewal.

Wilkinson's brief is enormous. Superficially it is, in Wiseman's words, "to direct the production of a structure in England that will raise playing standards in our young players to world class levels". In effect, this means breaking down decades of self-interest and bad practice in the development of young players and forming a human bridge between the FA and the professional game, and between players, coaches, and administrators at all levels.

Wilkinson, 53, starts with two advantages. A wide range of experience from teaching schoolchildren to managing a title-winning side, and a fund of goodwill. The esteem in which he is held in the professional game was obvious from the guest list when he conducted his first press conference at Lancaster Gate yesterday.

As well as Kelly, Wiseman, the FA's special advisor Jimmy Armfield, and Hoddle and his team (Peter Taylor, Ray Clemence and John Gorman) there were current managers Alex Ferguson and Dave Bassett; and the chief executives of the Premiership (Rick Parry), the Football League (David



Howard Wilkinson (left), the FA's new technical director, will have no direct input on Glenn Hoddle's England plans

Photograph: Robert Hallam

**Student of the game takes on professor's role**

**Glenn Moore on the route that led to Lancaster Gate for the new technical director of the Football Association**

For such a traditionally conservative organisation, the Football Association appears to be developing a gambler's mentality. First Glenn Hoddle, now Howard Wilkinson.

But while the gamble with Hoddle was about timing, with Wilkinson it is about the man himself. It could prove an inspired decision, or it could be a wasted opportunity.

What gives this appointment a real "last throw of the dice" feel is that, not a year ago, Graham Kelly told me that Wilkinson's widely reported decision to withdraw himself from consideration for the job was superfluous because he was unlikely to be offered it. He had, goes the grapevine, interviewed poorly, which will surprise no one who has heard one of his more rambling press conferences. Even yesterday he began with a reference about eating kippers and ended with one about ironing.

Even more so than with Hoddle, his eventual appointment has come about as much by default as choice. More obvious candidates, like Gerard Houllier, Andy Roxburgh and Arsène Wenger, turned it down.

The obvious question mark concerns Wilkinson's football beliefs. After a promising start managing Notts County (to 15th in the old First Division) he became seduced by the "direct-football" philosophy of Wing Commander Charles Reep, as also espoused by Graham Taylor. His training regimes became infamous. Sheffield Wednesday were sent hill-running in the snow while set-pieces were rehearsed for hours. His teams began to resemble the cast of Land of the Giants.

Yet, as John Barnwell said yesterday, it is important not to "confuse the style of play he was earmarked with and the development of players. They are totally different."

Wilkinson asked people to "reserve judgement and forget their preconceptions, or at least reconceive them". He added: "I hope the young England teams [for which he will be responsible] will play good football."

Wilkinson does not fit the original brief. When the FA began its hunt for a technical director Graham Kelly said they were looking for "a man with inspirational qualities who has played the game at the highest level and can influence by reputation."

Wilkinson's managerial reputation is higher among his peers than the wider public. His playing reputation is largely

forgotten with the promise of England youth selection not being fulfilled. He played 22 times in four seasons for Sheffield Wednesday in the old First Division, then spent four seasons with Brighton in the Third. By the time he was 27 he was out of the professional game.

Even then, however, he had been exposed to some of its most progressive thinkers. His managers at Hillsborough were Vic Buckingham, who was fresh from discovering Johan Cruyff and developing the "Ajax way", and Alan Brown, who had been at the forefront of youth development at Burnley. At Brighton he was under the innovative Archie Macaulay, arguably the first manager to use 4-3-3, and Freddie Goodwin, whose methods extended to yoga and psychology.

Wilkinson's inquiring mind will have absorbed much from these men. He also learned from taking a physical education degree at Sheffield University and spending some time working as a teacher. He managed Boston United before he was 30, later qualifying as a regional FA coach and becoming manager of the England semi-professional side. In 1982 Bobby Robson asked him to combine coaching England under-21s with, he said yesterday, "taking the football side of coaching at Lancaster Gate". Yesterday he finally accepted the update version of that job.

While his Leeds team have not always been attractive he has been heavily involved in the wider development of the club. A £3m youth training centre has been built and a second, more promising wave of young players are coming through.

Wilkinson's breadth of experience, with the school system club administration, youth development and top level management, is probably unrivalled. He is strong on ideas, no respecter of reputation (his first at Leeds was to remove the pictures of the Revie years), and not a man to suffer fools gladly.

He will need to avoid becoming bogged down in the minutiae and concentrate on the wider picture. He will need to combine charm and diplomacy in breaking down the many mini-empires. And he will need Glenn Hoddle to keep winning. This is such a wide-ranging, long-term job his progress cannot be fairly assessed for at least three years but, if England hit a crisis before then, there is now another target to aim at.

Dent), the players' union (Gordon Taylor) and the League Manager's Association (John Barnwell) - which Wilkinson will continue to chair.

Conspicuous by his absence was Malcolm Berry of the English Schools FA. He is recovering from a hip operation but it seemed significant that the

ESFA, which stands to lose most from the planned re-organisation, could not find a substitute.

Wilkinson was first interviewed for the job more than a year ago but only became a real candidate when he was sacked by Leeds United in September. It was, he said, still a difficult decision to trade the day-to-day

involvement of a football club for an essentially administrative role. "But," he added, "once the crack of gunfire had gone from my ears and the smell of war from my nose I found myself watching games from a different perspective. I was no longer thinking 'how can we beat them?' Or 'could he do a good job for Leeds?' The more

games I watched the more attractive this job became. As a manager of a football club the prime function is to win football matches. It can reduce the scope in which you operate. I was no longer developing my strengths."

His strengths were, he felt, coaching and he intends to be a "track-suited technical direc-

tor". There will, inevitably, also be plenty to do suited-and-booted. One of these tasks will be to wrest control of England under-15s from the ESFA.

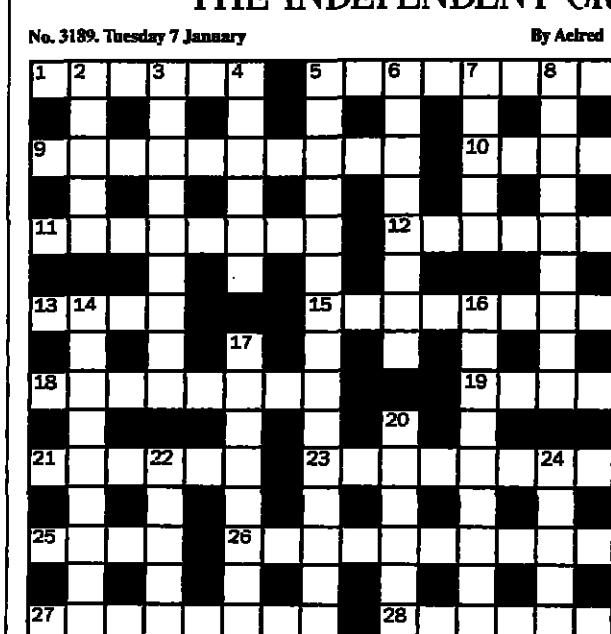
Hoddle will retain full control of the national team and Wilkinson is likely to help Hoddle with scouting and as someone he can bounce ideas off. Wilkinson's role encompasses the National School of Excellence at Lilleshall and the education of prospective managers.

The priority for Wilkinson, who has signed a four-year deal on an estimated £175,000 a year, is to raise the profile of coaching. Without training coaches properly, and persuading clubs to pay them decent wages, better players will still not be produced in numbers. The game is now rich enough to do this, but only if it can overcome its endemic self-interest. That will be Wilkinson's biggest task.

## Howard Wilkinson fact file

1943 Born 13 November, Sheffield  
1964 Signs for Sheffield Wednesday  
1966 Joins Brighton and Hove Albion  
1971 Moves to Boston United as player  
1972 Succeeds Jim Smith as manager of Boston and guides them to two successive titles, later takes charge at Mossley before becoming a Football Association staff coach  
1983 Appointed assistant manager to Jimmy Sirri at Notts County  
1982 County win promotion to old First Division. Appointed manager  
1983 Takes charge of Sheffield Wednesday  
1984 Steers Wednesday to promotion from Second Division, finishing second behind Chelsea  
1988 Succeeds Billy Bremner as Leeds manager in October  
1990 Takes Leeds to Second Division championship  
1992 Leeds win First Division championship  
1996 Leeds beaten 3-0 by Aston Villa in the Coca-Cola Cup final, is sacked as manager of Leeds just 48 hours after a 4-0 home defeat by Manchester United  
1997 Appointed England technical director by the FA  
Other honours England Youth International, Spils in charge of England Under-21 team and England semi-professional team. Current chairman of League Managers' Association.

## THE INDEPENDENT CROSSWORD



- ACROSS**
- In talk a libeller is certainly not acid (6)
  - In a position to learn due, possibly, to a kind of TV (8)
  - Could be too scented as a source of oil? (10)
  - Provoking remark of the Rock to Spain (4)
  - Politician's protest about traitor (8)
  - Gloss over deadly sin being given precedence (6)
  - Called artist no good (4)
  - Mixing gin & it, one's close to getting lit up? (8)
  - A friend's short garment is suitable for a sheikdom (3,5)
  - A capital orchestra to boot (4)
- DOWN**
- Don't succeed in keeping ring free to move (5)
  - It's more than a miracle if Insurance Companies cover them (4,2,3)
  - Overlook nothing in corrupt reign (6)

- ACROSS**
- Useless old site to be redeveloped? There's nothing in it (6)
  - Adolescent people addressed caught the flu nastily, drained of energy (8)
  - Cannot expect to throw out £20? (4)
  - Jack takes diamonds, say, as something to wear (6,4)
  - Out of the ordinary 6th sense Alice displayed (8)
  - Feel aggrieved having made a further dispatch? (6)
- DOWN**
- Might one pay it from one's current account? (11,4)
  - Coming in waves not altogether excessive to Latin worker (8)
  - One, say, is a provider of protection (5)
  - Non-U party debts can be tiresome (9)
  - Car organisation, maintaining pound, sorts out source of trouble? (9)
  - Instruct unruly sets in instances of boxing? (3,6)
  - Risk a wet upset to do this? (5,3)
  - Something funny, a song without words for us (6)
  - Order group to undergo reduction, being grossly overweight (5)
  - Marriage of old and new at university (5)

## Souness steeled for Stockport

Graeme Souness believes Southampton are heading for another field of nightmares, but he has promised his players will be geared up for the Coca-Cola Cup quarter-final match at Second Division Stockport tonight, no matter what the state of the ground.

Souness was angry at the condition of the Reading pitch on Saturday when his Premiership side were knocked out of the FA Cup in the third round. He knows Edgeley Park in mid-winter will be no place for the faint-hearted.

He said: "I have told the players the pitch at Reading and that was bone hard. Reading is now a thing of the past and we have a great chance to get into the semi-finals."

"If it was the Stockport manager David Jones I would be telling my players that Southampton don't fancy this

match one little bit. But he is wrong."

Souness has pledged to make changes after the shattering defeat at Elm Park, knowing another setback at a Nationwide League side would spark a crisis at The Dell. Defender Simon Charlton is set to take over from Matthew Robinson, while striker Egil Olsen needs a fitness test on an infected toe, although Matthew Oakley is available after recovering from a chest infection.

Stockport, who go into the biggest game in their history having lost only twice in 27 games, contest a quarter-final place in a major cup competition for the first time. However, Jones admits it is nonsense to talk of his side being favourites. He said: "Don't forget Southampton are still a Premiership side full of internationals who not so long ago thrashed the double winners Manchester United."

"Certainly if we play to our full potential we've definitely got a chance of beating them. We proved that we are a match for anyone in the games against Blackburn and West Ham."

Stockport have been out of action since a 3-2 Boxing Day victory at Wrexham, having had three matches postponed. The enforced break has enabled defender Sean Connolly to recover from a broken toe and striker Alun Armstrong to rest a niggling ankle injury.

Tom Bennett is available again after a two-match suspension and is likely to replace Tony Dinning in midfield.

"We feel the break has done us good," said Jones, who faced Souness in his playing days at Everton and Coventry.

"I am sure Graeme will have his players fired up as he was a winner as a player. You could see by how upset he was after the defeat at Reading on Saturday that he wants to be a winner as a manager."

"But I am not worrying about them. I'd rather they would worry about us. You can get bogged down by going into too many details about the opposition."

A secret Uefa investigation team, in existence for the last five months, will examine new allegations of widespread corruption and match-fixing said to be exposed in a French judiciary report into the Tapie-Marseille affair.

The identities of the three

man tribunal are not being revealed to prevent any undue influence being exerted. Uefa also said yesterday it was looking into something they had learnt about the Belgian side Club Brugge, but the club categorically denied any wrongdoing.

The Uefa spokesman, Frans Ahlstrom, said: "We have learned something about Club Brugge and we will look into it. We always do, that is our policy. But we can only look into such matters after we've received an official report. We cannot do something just on newspaper reports."

Club Brugge's secretary-general, Jacques Denolf, said: "This is nonsense. We have nothing to do whatsoever with irregularities regarding our two matches with Marseille." Brugge and Marseille met twice in the European Cup in the 1992-93 season, Brugge losing 3-0 away in Marseille and 1-0 at home.

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